FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,389 — Monday August 6 1984 — D 8523 B

East-West German flirtation worries Moscow, Page 8

NEWS SUMMARY

GENERAL

Kinnock may split with Left on miners

A split between Mr Neil Kinnock, the British Labour Party leader, and left-wing trade union leaders looks likely over proposals to step up disruption of key sectors of the UK economy later this summer in an attempt to force the Government to end the pit strike.

The Labour leadership has chosen to make known the possibility of action before it has been turned into a firm plan and also the doubts of Mr Kinnock and senior colleagues about whether it might work.

One interpretation is that the Labour leader both wants to distance himself from such action and force a reconsideration. Page 3

Europe space hope

European space officials' hopes for securing a big share of the satellite telecommunications market have received a boost from a successful launching that might intensify transatlantic commercial competition.

Canada elections

Canada's ruling Liberal Party's prospects for the September 4 general election were affected by the resignation of campaign director Bill Lee and other senior officials. Page 2

Sri Lanka ambush

A senior police officer was killed and an army major seriously injured in a separatist Tamil guerrilla ambush in Sri Lanka's northern district of Jaffna. Page 2

Bangladesh crash

All 48 passengers and crew of a Bangladeshi Fokker F-27 were killed when it crashed in a marsh near Dhaka airport.

Hiroshima rally

Twenty thousand anti-nuclear campaigners held a rally in Hiroshima to hear protest songs and speeches marking today's 39th anniversary of the world's first atomic bomb attack.

Red Sea rescue

Saudi naval launches headed for the southern reaches of the Red Sea to pick up the crew of a Liberian tanker, the Oceanic Energy, reported to have hit a mine. A dozen ships have recently been damaged by explosions in the area. Page 2

Antwerp bombing

Part of the palace of justice in Antwerp, Belgium, was destroyed by a bomb. Spanish Basque separatists are suspected.

Moscow video

The Soviet Union has started to produce its own video recorders, which are reported to be based on a Japanese design but are unable to play Western tapes.

Soviet sentences

Three members of a Soviet gang who beat three people to death for the amusement of their girlfriends have been sentenced to the firing squad.

Richard Burton dies

Richard Burton, the British actor, died of a cerebral haemorrhage in a Geneva hospital. He was 59.

Gold for Lewis

Carl Lewis, the star U.S. athlete, has won one gold medal and is set to win three more. Michael Thompson-Noel in Los Angeles looks at this phenomenon. Page 22

Prost's German win

Alain Prost (France) beat his McLaren team-mate Niki Lauda (Austria) into second place in the West German grand prix at Hockenheim, and leads him 43½–39 at the head of the Formula One world championship standings.

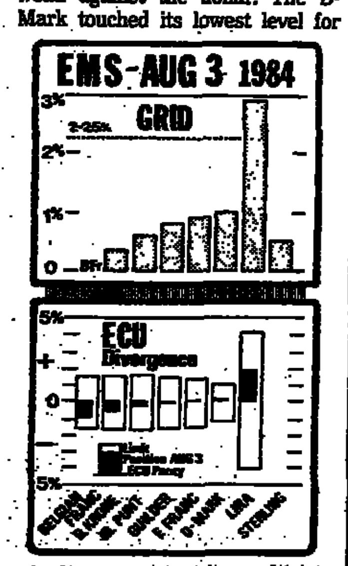
BUSINESS

U.S. car sales increase sharply

U.S. CAR sales continued to rise rapidly in July, illustrating the present strength of consumer demand. Total deliveries by General Motors, Ford and Chrysler rose by 19 per cent to 650,000. Page 22

TOKYO share prices closed sharply higher in Saturday's half-day session, buoyed by Wall Street's continued advance and the yen's rise against the dollar abroad. The Nikkei Dow index rose 151.51 to 10,385.12.

NO PRESSURE was put on the European Monetary System last week. The members of the system were little changed, and weaker currencies such as the Belgian franc held steady because the D-Mark was weak against the dollar. The D-Mark touched its lowest level for 11½ years against the dollar, and the Dutch guilder the lowest for 12½ years. The guilder also fell to a record low against the D-Mark, but remained comfortably placed within the EMS. The French franc and Italian lira were at record lows against the dollar, but all members strengthened against the U.S. currency at the end of the week.



The chart shows the two constraints on European Monetary System exchange rates. The upper grid, based on the weakest currency in the system, defines the cross rates from which no currency (except the lira) may move more than 2¼ per cent. The lower chart gives each currency's divergence from its "central rate" against the European Currency Unit (ECU), itself a basket of European currencies.

ITALY plans to take advantage of a more favourable market for international borrowers by refinancing a $600m credit for its electricity utility, Enel, on better terms. Page 10

GREECE will pay for up to 1.5m tonnes of Iranian crude with goods and services next year in the first complete barter deal to be concluded by Iran.

INVESTORS seeking shares in Jaguar, the British car maker, which is being privatised, will learn today on what basis shares will be allotted. Page 22

UK INDUSTRIAL and commercial companies' total assets had a book value of over £300bn ($393bn) at the end of 1981, two thirds more than at the end of 1977, according to the Trade Department.

ROYAL DUTCH/SHELL is to reduce its role in the second stage of Brazil's Sao Luis aluminium project from 40 to 18 per cent because of the metal's poor price prospects. Page 2

Financial Times

Today's issue appears as a one-section newspaper reflecting normal seasonal decline in pagination. International Capital Markets, normally the front of Section II, appears on Page 10.

Production difficulties in London may have resulted in typographical errors in unit trusts, some advertisements and elsewhere in today's edition.

Peres will seek to form broad-based government

BY DAVID LENNON IN TEL AVIV

PRESIDENT Chaim Herzog has asked Mr Shimon Peres, the Labour Party leader, to try to form Israel's next government. That step might break the political deadlock that has followed last month's inconclusive general election.

Mr Herzog said he hoped Mr Peres would form a government of national unity with the Likud bloc, led by the outgoing Prime Minister, Mr Yitzhak Shamir. The two party leaders agreed to meet today to continue their discussions on the possibility.

Accepting the President's invitation, Mr Peres said: "I will work faithfully to reflect the wishes of the people, as it has been expressed in the elections, to form as broad a government as possible, a national unity government, which will bridge the cracks which have appeared within us. A government of rapprochement." Both Labour and Likud will continue their separate efforts to put together a narrow coalition, in case the talks on a national unity collapse.

Mr Peres, who initially will have three weeks to form a coalition, made clear yesterday that he was keeping the option open. So did Mr Shamir, who still hopes he may be able to head the next government, if the Labour leader fails.

The President urged the speedy establishment of a new government, because, he said, Israel had "reached an economic situation that may well be the most dangerous and difficult this state has ever known.

"There is unanimous awareness among the parties of the gravity of our economic condition and of the perils in store for us if this economic decline is not checked at once. The point of crisis may be reached earlier than we think or feel," Mr Herzog said.

In the election, Labour won the largest number of seats in the 120-seat Knesset, 44 seats to Likud's 41. In the two weeks since the election, both main parties have been finding it extremely difficult to form a narrow coalition together with some of the 13 other parties which won seats in parliament.

That led President Herzog to call on Likud and Labour last week to try to form a broadly based government. In two meetings, Labour and Likud leaders failed, however, to make any real progress.

The momentum created in being given first chance to form a government might swing some of the small religious parties over to Mr Peres. That undoubtedly will strengthen his hand during the discussions on either a broad or a narrow coalition.

Neither Likud nor Labour is keen to enter a coalition led by the other, although under pressure they have both reluctantly said they would be prepared to do so. In both cases, their first choice would be a narrow coalition, allowing one of them to direct the government.

When urging the creation of a national unity government, the President also emphasised the dangers to the state caused by internal divisions. Mr Herzog referred indirectly to the racist Kach party when he spoke of the growing absence of tolerance within Israel.

"To our shame, it has received frightening and disgraceful public expression, which must revolt all citizens," he said.

At the weekend more than 5,000 Arabs and Jews demonstrated in the Arab town of Umm Al-Fahm against Kach leader Rabbi Meir Kahane's calls to drive all the Arabs out of Israel and the occupied territories.

● Lebanese Christian leader Camille Chamoun revisited his home town in the Shouf mountains, south-east of Beirut, setting a precedent he hopes thousands of other displaced Christians will follow.

Mexican debt plan given cool response

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

OUTLINE proposals for a new $48bn rescheduling of Mexican public-sector debt have failed to enthuse bank lenders in Europe.

Worries on several counts emerged at a meeting in London on Friday of 86 international banks, mainly from Britain and Scandinavia. The meeting had been called by Lloyds Bank, a member of the banks' negotiating committee, to test the climate for the proposals, discussions on which are to resume in New York today.

Mexico has proposed a 15-year rescheduling of public-sector debt due between the end of this year and 1990. It wants the deal to include some debt that has already been rescheduled once, as well as the $5bn credit arranged last year. It is also seeking a commitment from creditor banks that they will make fresh loans available if interest rates rise.

According to bankers present at Friday's meeting however, there is considerable resistance to such a long-term approach to Mexico's debt. If adopted, the proposals would commit lending banks to a rescheduling extending way beyond the term of office of President Miguel de la Madrid as well as that of the current International Monetary Fund (IMF) programme for Mexico, which is to expire next year.

One worry expressed at the meeting was that a long-term rescheduling would lock bank lenders into Mexico while other creditors such as governments and bond holders might be repaid. But there was general hostility to the idea of reopening loan agreements made since the Mexican debt crisis arose in 1982.

Mexico wants a lower interest margin on the rescheduled debt to apply from January 1 next year. Its present interest margin over Eurocurrencies averages 1⅞ per cent, which represents an annual service charge of $900m on the debt affected.

It also wants banks to drop their normal rescheduling fee, which might amount to as much as $480m on the basis of precedent.

The reaction of smaller lenders to the Mexican proposals means that at best its preferential rescheduling deal will have a difficult birth. Sr Jesús Silva Herzog, Mexico's Finance Minister, was promised better rescheduling terms after a meeting between top bank chairmen and Mr Jacques de Larosière, managing director of the IMF, in Philadelphia last May.

The intention was to reward Mexico for its progress in restoring order to its balance of payments.

That promise, however, apparently failed to take account of the atti-

Continued on Page 22

International credits, page 10

Opec overproduction 'still feeding oil glut'

BY RICHARD JOHNS IN LONDON

THE RECENT oil glut in the developed world shows little prospect of drying up, according to the latest oil market analysis of the International Energy Agency (IEA).

The glut has been largely caused by excess production among members of the Organisation of Petroleum Exporting Countries (Opec).

According to the Paris-based agency, Opec output in July remained well over the 17.5m barrels a day (b/d) ceiling reaffirmed by Opec Ministers last month in Vienna.

Fears of Opec overproduction have driven spot crude prices sharply lower in the last three weeks and caused the British Government to apply direct pressure to oil companies not to undermine the official price structure of North Sea oil set by the British National Oil Corporation. Ministers fear that such a development might lead to a renewed run on sterling.

The latest IEA oil market report suggests that Opec as a whole produced 18.6m b/d of crude in July and that Saudi Arabia produced 5.5m b/d rather than the 5m b/d unofficial ceiling accepted by the Saudis.

Those estimates are likely to be revised downwards in the August IEA report, however, to bring them more closely into conformity with figures put out by Shell and British Petroleum (BP), which put Opec July output between 17.3m b/d and 18m b/d.

None the less, figures from the IEA, one of the few official sources of information about world oil production levels, seem likely to confuse further the battered oil market when it reopens today.

Oil traders, operating in the belief that large quantities of barter oil from the recent Saudi Rolls-Royce/Boeing deal are entering the market, have knocked $3 a barrel off the price of Brent crude since early July, although the release of the Shell and BP estimates late last week helped to steady the market's nerves.

The IEA report also contains the agency's first projections for demand for 1985. It estimates that demand for oil in the industrialised

Continued on Page 22

Zia tries to save UK car deal

BY JOHN ELLIOTT IN ISLAMABAD

A LAST-MINUTE attempt has been launched to rescue plans to transfer the production line of the Morris Ital, produced by BL, the British state-owned vehicles group, to Pakistan. The move follows the personal intervention of President Zia-ul-Haq, Pakistan's military ruler.

BL reached agreement in principle almost a year ago to ship its 1.8-litre Ital production line from Longbridge, near Birmingham, to Pakistan, where it is to be produced as a diesel car.

The Ital project has been deadlocked for some weeks because one of its three financial partners, based in the Middle East, withdrew from the £20m ($26.2m) project.

The Pakistan company involved, Associated Agencies of Lahore, also failed to complete its end of the negotiations.

On Saturday night, President Zia held talks lasting more than an hour with Mr Harold Musgrove, chairman of BL's Austin Rover Group, who flew from the UK with a four-man team for the meeting.

The President made clear that he supported the project. Shortly before the meeting, he said he was specially keen for the Ital to replace the country's ageing taxi fleets, based on another British model, the old Morris Minor 1000.

"We are short of transport and Morris has been a very popular car in Pakistan, particularly as a taxi in Rawalpindi and Lahore and elsewhere," he declared.

As he left Islamabad yesterday morning, Mr Musgrove said: "Whereas I came here on Thursday feeling fairly pessimistic, I am leaving fairly optimistic about the deal going ahead."

The agreement to ship the Ital production line to Pakistan over three years was finalised in December, at the same time as BL arranged to send its Rover two-litre car production line to Madras, in southern India.

Those will be among the largest of a series of recent ventures involving redundant manufacturing facilities being shipped from Europe to the developing world.

Associated Agencies, which intends to produce a taxi derivative of the Ital, agreed to be the majority partner holding 36 per cent of the £10m total equity, with another 15 per cent being floated publicly in Pakistan.

The Al Ghurair Group of Dubai, which owns the Bank of Oman and has other partnerships with Associated, took 35 per cent, and Austin Rover 14 per cent.

Al Ghurair withdrew this year, allegedly because of a conflict of interest with a a Middle East dealership it runs for Toyota of Japan.

Toyota, with other Japanese companies, would like to produce cars in Pakistan, where the only other car plant assembles Suzuki 800cc vehicles in a public-sector factory.

Continued on Page 22

Jaguar to announce allotment, Page 22; U.S. car sales soar, Page 22

Brazil likely to reject terms on co-financing

BY ANDREW WHITLEY IN RIO DE JANEIRO

THE BRAZILIAN Government is likely to reject a novel $2bn co-financing programme discussed by Sr Antonio Delfim Netto, the Planning Minister, and the World Bank in Washington last week. But Brasilia is considering a plan to dismantle some of the country's trade barriers.

The co-financing programme would have been made up of $1.75bn from the international banks and $250m from the World Bank, according to reliable local press reports over the weekend. Much of it would have been used for badly needed pre-export finance for Brazilian manufactured goods.

But Sr Netto, who also attended a meeting with the advisory committee of international banks co-ordinating the refinancing of Brazil's $100bn external debt, has apparently decided that the main condition attached to the proposal – a wholesale reform of the country's trade regulations – is too onerous.

Brazilian officials also point to a series of other significant disadvantages in the plan.

● Agreement with the World Bank, on a scheme which would bring in many of the country's bank creditors abroad, might compromise the full-scale debt renegotiations for 1985 and subsequent years, set for October or November.

● The sudden inflow of such large sums would, when converted into cruzeiros, make impossible the achievement of the already difficult money supply targets set by the International Monetary Fund.

● The terms said to be on offer from the World Bank are not regarded as particularly generous. Based on the precedent set with Paraguay earlier in the year, these would involve a 10-year repayment.

Brazil has let it be known in recent weeks that it is seeking new loan terms of up to 15 years repayment in its next round of debt negotiations.

On the co-financing scheme, outline agreement is believed to have been reached in Washington last week whereby the World Bank would capitalise interest payments if the prevailing interest rate on the loans moved within a range of 10 to 16 per cent. Below and above this range, Brazil would pay the going rate.

Brazil's leading business daily, the Gazeta Mercantil, reported yesterday that the Government was preparing to reduce a wide range of import tariffs to meet a long-standing World Bank demand for greater freedom in the country's international trade.

The reduction is likely to apply to about 4,000 items treated as "superfluous" since 1974. In addition, a number of other non-tariff barriers are to be dismantled.

The effect of the changes will be to reduce the average level of duty charged on these goods entering Brazil from 76.5 per cent to 45 per cent. A final decision is expected within the next fortnight.

IG Metall strike to hold back German recovery

By Rupert Cornwell in Bonn

THE LONG strike in the West German engineering industry will cost the country up to 1 percentage point of the projected economic growth this year and almost 200,000 jobs, according to Herr Gerhard Stoltenberg, the country's Finance Minister.

Herr Stoltenberg expects the economy to expand by only 2.5 per cent in 1984, against the 3 to 3.5 per cent it might otherwise have achieved.

That, he declared, would mean a drop in unemployment of a bare 10,000, instead of the 200,000 decline which had previously been likely.

None the less, in a newspaper interview, Herr Stoltenberg insisted that the medium-term economic prospects for both West Germany and Europe as a whole were encouraging.

Western Europe could look forward to several years of sustained economic recovery, provided that Britain, France, the Benelux countries and Scandinavia could reap the fruits of the present stabilisation policies.

Herr Stoltenberg defended himself vigorously against charges that he had devoted excessive attention to cutting the Government's borrowing needs, in the process neglecting the longer-term difficulties of the economy.

Fresh borrowing in 1984 would fall well below DM 30bn ($10.38bn), he confirmed. His target was to cut public spending as a proportion of gross domestic product (GDP) to 45 per cent by 1987, from 50 per cent in 1982, when the present centre-right coalition took power in Bonn.

If it secured a second term at the next elections in 1987, the goal would be to bring the share down to 40 per cent of GDP – the same figure, Herr Stoltenberg pointed out, as in 1969.

He outlined a series of key measures the Cabinet would be examining this autumn, all aimed at strengthening the longer-term prospects of the economy.

They included a draft Bill to promote flexibility on the labour market, by promoting part-time work and shortening the duration of statutory contracts.

There would also be a Bill to encourage venture capital companies active in high technology, and outline plans for the sale of further state interests to the private sector.

All those moves would help to make the economy more dynamic and competitive in international terms, Herr Stoltenberg declared.

CONTENTS

OVERSEAS NEWS

Tanker damaged by mine in Red Sea

By Tony Walker in Cairo

AN OIL TANKER on its way to Jeddah in Saudi Arabia appears to have been badly damaged in the latest of a series of mystery explosions in the Gulf of Suez and the Red Sea.

The Liberian-registered tanker, the 41,000 ton Oceanic Energy, sent out a distress call early yesterday claiming it had hit a mine about 200 miles south of Jeddah. Saudi naval launches rushed to the scene.

About 12 ships are thought to have been damaged by explosions in the Gulf of Suez and the Red Sea since July 10 when a Russian ship was hit.

Western diplomats in Cairo believe an extremist Moslem group associated with Iran may be responsible for laying mines in the region. Another possible culprit could be Libya. A Libyan ship passed through the Suez Canal on July 6.

Israeli bank charge

Isreal's top four banks are facing unprecedented criminal charges because of allegedly acting as a cartel in fixing interest rates last year, writes David Lennon in Tel Aviv. The attorney-general has submitted an indictment to the Jerusalem magistrate's court charging that bank Leumi, Bank Hapoalim, the Discount Bank and United Mizrachi Bank acted in concert to keep payment of interest on one type of account below the level that free competition would have yielded. Bank officials claimed the charges were insignificant.

Iran confidence vote

Iranian Prime Minister Mirhossein Mousavi won a vote of confidence from the Majlis (Parliament) yesterday and diplomats said it left him securely placed despite apparent recent attempts to undermine his position, Reuter reports. Mousavi took more than threequarters of the vote—163 for, 21 against and 25 abstentions.

Reagan pledge on income taxes

BY STEWART FLEMING IN WASHINGTON

PRESIDENT RONALD Reagan has vowed not to propose an increase in personal income taxes and promised to veto any legislation to increase personal tax rates if he is re-elected in November.

The President's pledges, made in his weekly radio broadcast, go further than before in seeking to rebut the charges made by Mr Walter Mondale, the Democratic Party presidential candidate, that the White House has a "secret plan" to raise taxes in order to reduce the federal budget deficit.

Mr Larry Speakes, the White House spokesman, said the President's remarks were "ruling out any income tax increase for the foreseeable future."

Mr Reagan, however, limited his remarks to the area of personal taxes and hinted that he is leaving open the possibility of tax reforms designed to make the U.S. tax system "simpler or more fair."

The U.S. Treasury is studying tax initiatives which officials have said would be aimed at achieving these objectives. Mr Mondale on Saturday challenged the President to release the study so that the electorate could find out what the President planned to do before the election.

Reacting to Mr Reagan's efforts to turn the tables on him by alleging that he would have to raise taxes by $135bn "to square with all his promises," Mr Mondale said "my proposals are specific." He described the President's calculations as "hocus pocus numbers," aimed at avoiding detailed debate upon the issues.

"He prefers long-distance charges to real debate," Mr Mondale said, thus raising another issue which he has laid at the President's doorstep, a reluctance by the White House to engage in a lengthy series of televised debates.

The latest exchanges on taxes follow Mr Mondale's success last month in spreading confusion in the White House with his allegations of "a secret plan" to increase taxes.

Mr Reagan initially issued an ambiguous denial of the charge, creating the impression that there might be such a plan after all. Although the President has gone further now in rejecting the possibility of a tax increase, Mr Mondale is unlikely to let the issue die.

Among the options which the President's remarks have left open are proposals already being discussed in Washington which would limit tax deductions or introduce new consumption taxes.

Warsaw releases dissident

WARSAW — Mr Adam Michnik, the first prominent opposition intellectual to be freed under the Polish government's amnesty, is unlikely to have changed his uncompromising political views, a close friend said yesterday.

Mr Jan Jozef Lipski, a colleague in the now-disbanded dissident group Kor (workers' defence committee), said he met Mr Michnik after his release on Saturday and found him in good psychological condition despite more than two and a half years in prison.

Mr Lipski said that Mr Michnik had said jail guards had bruised his arm and hurt his shoulder before his release in a dispute over whether he could take lecture notes made in prison away with him. The guards kept all the notes, he said.

Mr Michnik, who had vowed never to accept conditions attached to his release, said last night he was driven home by car and then physically carried to his apartment by security police. Today he was visiting friends in Warsaw.

Three other Kor leaders remain in jail. They are Mr Jacek Kuron, Mr Zbigniew Romaszewski and Mr Henryk Wujec.

Mr Michnik, a 37-year-old historian and senior adviser to the now banned Solidarity union in its 1980-81 legal era, repeatedly demanded in letters smuggled from Warsaw's Rakowiecka prison to be allowed to assert his innocence in court.
Reuter

Honecker seeks Soviet support

BY LESLIE COLITT IN BERLIN

EAST GERMANY has ignored a vitriolic Soviet attack against its ties with West Germany and instead published a Soviet statement at the weekend which appeared to support East Berlin's stance on ties with Bonn.

East European diplomats said this reflected opposing views in the Soviet leadership on current East-West German relations.

The East German news agency and government press failed to publish the second sharp Soviet attack on East-West German links made late last week. Normally all important Soviet commentaries on the two German states are published verbatim in the East German newspapers.

Instead the main East German Communist daily, Neues Deutschland, published a Soviet article approving of the agreements between East and West which have taken place since the Helsinki conference.

The prominently positioned article clearly reflected the view of the East German leadership. It was carried by the Soviet news agency Tass and was written by the chairman of the Soviet Committee for European Security and Co-operation, Mr Lev Tolkunov.

sapes from the traditional glass

East European analysts in East Berlin said the East German leadership under Herr Eric Honecker, who is party chief and President, is cautiously seeking the support of Soviet advocates of a policy of continued detente towards West Germany in spite of the U.S. missile deployment.

At the same time, they explained, Herr Honecker cannot afford to ignore the tough line in Pravda ciriticising his policy of "limiting damage" between the two German states followi3g deployemnt.

This is seen to represent an increasingly powerful view in the Soviet Politbureau put forward by Mr Dimitri Ustinov the Soviet Defence Minister and supported by Mr Andrei Gromyko, the Soviet Foreign Minister.

West German officials say their East German counterparts are continuing to make preparations for a planned visit to West Germany in late September by Herr Honecker.

Smooth ride for Ariane rocket

BY DAVID MARSH IN PARIS

THE SUCCESSFUL 10th lift-off on Saturday of Europe's Ariane space rocket looks likely to give the French-led launcher considerable commercial benefit in its tussle with the U.S. for international satellite-launching orders.

Although the launch was delayed for one and a half hours by last-minute count-down problems, the Ariane-3 rocket, the first in a series of higher-powered models, carried out with exemplary precision its mission of placing two European telecommunications satellites in geostationary orbit 36,000 km above the earth.

The launch, making a run of five perfect lift-offs since June, 1983, all but erased memories of two disastrous crashes earlier in the Ariane programme. It was hailed as "superb" by M Hubert Curien, France's new Research and Technology Minister and former head of the CNES national space agency, who attended the launch at the space base in Kourou, French Guiana.

The two satellites hoisted into the heavens were Telecom-1A, launched for the French Posts and Telecommunications Ministry, and ECS-2, the second in a series of spacecraft owned by the European satellite communications organisation Eutelsat.

Both carry facilities for telephone and television transmission. Telecom-1, Europe's first national commercial telecommunications satellite, will also carry out specific business services such as video and data transmissions, mainly for French companies

M CHARLES HERNU, the French Defence Minister, has denied that France's Superphenix fast-breeder atomic power plant, now in the final stages of construction, will produce plutonium for nuclear weapons.

Canadian Liberals campaign chief quits

By Bernard Simon in Toronto

THE NATIONAL campaign director of Canada's ruling Liberal Party has resigned, reinforcing forecasts in the past few days that the Liberals are heading for defeat in the September 4 general election.

The party's chief campaign organiser, Mr Bill Lee, joined by several other senior campaign officials, said he will take no further part in the election run-up. Mr Lee supervised Prime Minister John Turner's recent campaign to succeed Mr Pierre Trudeau as party leader.

His departure appears to be linked to the appointment as campaign co-chairman last week of a Trudeau confidante Senator Keith Davey. Mr Davey is closely identified with the unpopular autocratic style of the Trudeau administration from which Mr Turner has been trying to distance himself, but was recalled amid signs of considerable confusion and dissension in the Liberal campaign organisation.

Several respected media commentators have begun predicting a clear election victory for the opposition Progressive Conservative Party. An opinion poll published last Friday gave the Conservatives a 16-point lead over the Liberals.

Parties get more time in Nicaragua

By Tim Coone in Managua

THE AUTHORITIES in Nicaragua have given two opposition parties more time to register to fight in the November presidential and National Assembly elections. They were given until midnight last night. The previous deadline had been July 25.

The Social Christian Party and the Social Democrat Party had abstained from registering earlier, demanding a series of conditions including that the Government should open talks with U.S.-backed guerillas

On Saturday they asked for an indefinite prolongation or registration,

EEC fights back against 'unfair' Japanese imports

BY IAN RODGER IN LONDON

WESTERN industrialists have often complained bitterly about Japanese "laser" assaults on particular sectors, such as motorcycles, cameras and machine tools. But usually by the time the Americans or Europeans have organised themselves to respond the Japanese have become well established.

European construction equipment manufacturers, who last week succeeded in getting an anti-dumping inquiry launched by the European Commission on Japanese hydraulic excavators, believe that by acting quickly they have caught the Japanese misbehaving in the early, aggressive phase of their marketing strategy.

The complaint alleges that imports into the EEC of Japanese 360 degree hydraulic excavators of 6 to 35 tonnes have increased from 204 units in 1980 to 906 units last year and that their sale prices have been well below those prevailing in Japan. The dumping margins are estimated to be significant," the Commission notice of the inquiry says.

The EEC manufacturers say Japanese price-cutting forced them to lower their prices to a level insufficient to cover their costs and provide an adequate return. The Japanese assault, coming at a time of general recession in the construction sector, exacerbated the effects of the recession and "contributed substantially" to a 17 per cent reduction in Community production between 1980 and 1983.

The emphasis in the notice on EEC producers and markets is partly misplaced. The Japanese excavator makers have concentrated their efforts so far almost entirely in Britain, and it is the Federation of British Manufacturers of Construction Equipment and Cranes pushed by J.C. Bramford Excavators, the only strong UK producers left, which has prepared the complaint.

The Japanese took 42 per cent of the UK market for excavators in the first half of 1984 compared with a negligible share in the late 1970s. Hitachi is now the market leader with nearly 20 per cent of sales. In 1979 it had less that 1 per cent.

Since the Japanese arrived in the UK, one domestic producer, Ruston-Bucyrus, has abandoned the business. Hymac, the former market leader, went bankrupt last year but was subsequently rescued. Another producer, Priestman Brothers, has contracted its operations substantially.

It would be wrong to lay the blame for the decline of these UK companies entirely at the feet of the Japanese. Until recently Hymac's products were outdated, and the other two never had large shares.

The Japanese have also, however, taken away a market share in Britain from other leading European producers, such as Orenstein & Koppel of West Germany and Poclain of France. The UK manufacturers federation managed to get 18 companies from all over the EEC to sign the complaint.

Last month, the five Japanese companies active in the UK market, knowing that a Commission decision on an investigation was imminent, raised their list prices by 15 to 20 per cent. An official of the Japanese Ministry of International Trade and Industry said the companies were hoping to solve the problem of excessively low prices in the British market through negotiation.

There have been suggestions that the action by EEC producers is shortsighted. If the Japanese are restricted in EEC markets in one way or another, they will, it is argued, become more aggressive in other markets, such as the Middle East and Africa, to the detriment of European manufacturers established in those markets. The Japanese are already very active in most markets, however.

Some say major buyers of excavators will resent the European producers' action because it may lead to higher prices. Mr Ronald Stuart president of the Construction Plant-hire Association in Britain, said he found no evidence of this.

Whatever conclusions emerge from the inquiry it is unlikely that the Japanese will disappear soon. As in other industrial sectors, they will probably negotiate voluntary restraint agreements under which their volumes and prices will be controlled. Some may set up manufacturing activities in the EEC.

C. H. Beazer, the UK distributor of Hitachi, is aiming to put up to 50 per cent local content in its excavators in the near future. Komatsu has considered acquiring a number of European companies.

They would probably not find manufacturing in Europe very attractive, however.

WORLD TRADE NEWS

Call for Canadian LNG project

BY BERNARD SIMON IN TORONTO

NISSHO-IWAI of Japan has revived interest in an ambitious project to export liquefied natural gas from Canada to Japan by presenting new proposals to potential shareholders in the venture.

An official of Amoco, Canadian subsidiary of Standard Oil of Indiana, said the company was "taking a close look" at a new plan for the C$2.6bn (U.S. $1.98bn) scheme, known as the western LNG project.

Nissho-Iwai has also approached Petro-Canada, the Canadian state-owned oil company, in an effort to find a Canadian majority shareholder.

The project proposes to deliver 154bn cubic feet of liquefied natural gas a year to a group of five Japanese utility companies. The utilities have already negotiated tentative supply contracts, but the venture has been delayed by a series of setbacks, including delays in the granting of a gas removal permit

The project includes construction of a gas liquefaction plant and marine terminal at Prince Rupert on the British Columbia coast, pipeline facilities, and the chartering of five LNG carriers. The utilities, led by Chubu Electric, have threatened to withdraw if the project does not go ahead by the end of October. Deliveries are due to start in 1986.

Uncertainty comes from the participation of Dome Petroleum the troubled Canadian energy producer, which initiated the western LNG project. Dome initially planned to have an 80 per cent stake in the venture but announced in June that it was relinquishing its management role and would take only a small minority shareholding.

Nissho-Iwai has agreed to take a 10 per cent stake in the scheme and the Canadian subsidiary of Union Oil is expected to have a similar interest.

SHIPPING REPORT

Poor demand cuts tanker rates

THE ANTICIPATED collapse in tanker rates from the Gulf was confirmed last week with a Texaco relet vessel accepting Worldscale 24 for a 240,000 ton crude oil cargo from Saudi Arabia to Taiwan, David Lawson reports.

This reflects the lack of demand for very large crude carriers (VLCCs), according to Galbraith's, although it was not expected that the rates would slip to this level yet. E. A. Gibson Shipbrokers reports that charterers are having no problem repeating, or lowering, this level with the current oversupply of tonnage.

The technical rally which added $1 per barrel to crude oil prices has not filtered through to the tanker market, and conditions will remain volatile until buyers are confident that the price will hold, says Gibson.

A degree of confidence comes from Fearnleys, which sees the lack of tanker activity as a temporary lull. Weakening oil prices had made buyers play for time and push for even lower prices, while producers' hopes increased demand would halt the slide.

Little improvement has been seen out of Indonesia, with a 75,000 ton cargo moved to the Mediterranean at Worldscale 52, with the option of the Caribbean at 42 and the U.S. west coast at 47. Scant business from West Africa has seen a 90,000 ton cargo to the U.S. Gulf at 37½ and 80,000 tons to the UK/Continent/Mediterranean at 45, Gibson says.

France and Belgium in high-tech accord

COMPAGNIE Generale d'Electricite, the French state-owned telecommunications and engineering conglomerate, has signed a co-operation accord with Belgian industrial partners to step up high technology collaboration between the two countries.

The agreement, with Societe Generale de Belgique, the holding company with widespread financial and industrial interests, covers in particular telephone systems, automated manufacturing and energy equipment.

Although the accord does not involve any firm contracts, CGE hopes to pave the way for Belgian finance and markets for its products

Shell cuts aluminium plant stake

By Andrew Whitley in Rio de Janeiro

ROYAL DUTCH/SHELL is to reduce its participation in the second stage of a major Brazilian aluminium plant from a planned 40 per cent to 18 per cent, in the light of the poor outlook for world prices for the metal and the existence of considerable over-capacity.

The decision by Shell to scale down its role in the Alumar project at Sao Luis—one of the largest under construction in the world—was disclosed at the end of last week by Alcoa's Brazilian subsidiary, the major partner in the complex.

Sr Alain Belda, president of Alcoa in Brazil, said the U.S. company would thus be increasing its share in the $280m expansion programme to 82 per cent. The second stage will lift the plant's capacity from 100,000 to 235,000 tonnes by June 1986.

The reduction in Shell's investment, made through its Billiton Metals subsidiary, means a saving of $62m and proportionate cut in its offtake. It also brings its overall share in the aluminium plant down to 27 per cent.

Sr Belda estimated the over-capacity in aluminium making worldwide at between 20 and 25 per cent.

Reuter reports from Seoul: South Korea's Kukje-ICC Corporation is negotiating with the West Australian Government for a 50 per cent stake in a $750m aluminium smelter in Worsley, West Australia due to be completed by 1987 with an annual capacity of 220,000 tonnes.

WORLD ECONOMIC INDICATORS

UNEMPLOYMENT

		July '84	June '84	May '84	July '83
UK	000s	3,101.0	3,030.0	3,085.0	3,021.0
	%	12.9	12.6	12.8	12.6
		June '84	May '84	Apr. '84	June '83
W. Germany	000s	2,112.6	2,133.2	2,253.5	2,127.1
	%	7.8	7.9	8.4	7.9
France	000s	2,147.7	2,167.5	2,234.8	1,877.7
	%	9.4	9.5	9.8	8.2
Italy	000s	2,883.1	2,929.7	2,959.7	2,624.5
	%	12.8	13.0	13.1	11.6
Netherlands	000s	815.9	807.2	814.5	792.7
	%	14.6	14.4	14.6	14.2
Belgium	000s	545.7	552.1	558.5	545.1
	%	13.4	13.5	13.7	13.3
U.S.	000s	8,130.0	8,514.0	8,843.0	11,162.0
	%	7.1	7.5	7.8	10.0
		May '84	Apr. '84	Mar. '84	May '83
Japan	000s	1,600.0	1,680.0	1,780.0	1,580.0
	%	2.6	2.6	2.7	2.6

Source (except U.S., UK, Japan): Eurostat

Kinnock and Left face split on miners

BY OUR POLITICAL AND LABOUR STAFF

A SPLIT between Mr Neil Kinnock, the Labour leader, and left-wing trade union leaders now looks possible over proposals for intensified disruption of key areas of Britain's economy later this summer to force a quick end to the coal dispute. It is the so-called "big bang" approach.

Significantly, the Labour leadership has deliberately chosen to make known both the possibility of such a "big bang" before it has been turned into a firm plan and the doubts of Mr Kinnock and his senior colleagues about whether such an option might work.

One interpretation is that the Labour leader both wants to distance himself from such moves and to force a re-think before they are attempted.

Mr Kinnock apparently believes that the views of union leaders have hardened as a result of both the length of the dispute and last week's sequestration of some of the funds of the South Wales mineworkers.

Some union leaders were taken aback at the Labour-inspired weekend reports of plans for widespread disruption in support of the mineworkers. Their view had been that the tentative proposals were a long way from getting off the ground, if at all.

However, Mr Ron Todd, general secretary-elect of the Transport and General Workers' Union, gave credence to Mr Kinnock's apparent fears in outspoken comments in a radio interview yesterday.

Far from playing down the "big bang" theory, Mr Todd played it up. He said: "If by 'big bang' people mean that we have come to a situation where it's going to require one major disruption by the trade union movement to bring this Government to its senses, then there might be some logic in that.

"I am talking not just about pious resolutions or rhetoric. I am talking about a total trade union commitment to the miners."

Mr Todd said it was time that the Trades Union Congress (TUC) indicated some "positive support" for the strikers. They should be provided with sufficient funds to ensure they could not be "starved into submission" and there should be a commitment by all union members not to cross picket lines and not to do work others had refused to do.

The possibility of co-ordinated action after the meeting of the TUC in early September was mentioned to Mr Kinnock last week after discussions among miners' leaders and other prominent trade unionists.

The Labour leader is apparently highly sceptical about whether such widespread disruption would succeed, given the attitudes both of union members and of the Government. However, he will come under strong pressure to support such action not only from union leaders but also from within the Labour Party, especially at its annual conference in Blackpool in early October.

Instead of a "big bang," Mr Kinnock lays most stress on the mediating efforts of Stan Orme, the Labour Energy spokesman, who has been talking both to the miners' leadership and to the National Coal Board.

Mr Ian MacGregor, the NCB chairman, meanwhile predicted it would take the industry "a couple of years" to recover from the effects of the dispute.

In a television interview, he made explicit the board's threat to withdraw its final offer on pit closure policy if the union did not pick it up. If the mechanism for compromise was rejected, he said, "we may be forced to abandon it."

The offer, that the board withdraws all plans to close capacity in the immediate future on condition that the mineworkers' union agrees that all pits that cannot be "beneficially developed" may close, will remain on the table at least until the union's delegate conference on Friday.

The conference will review progress in the dispute and will again consider proposals to tighten disciplinary procedures. Leaders of the Nottinghamshire mineworkers, against many of whom the procedures could be used, will meet today to decide whether to go to the conference to vote against the rule changes.

Fears for the safety of the working Nottinghamshire mineworkers rose at the weekend after claims that a "hit squad" of militant strikers had been formed and the disclosure of the identity of a miner who has been touring other coalfields agitating for a general return to work.

The so-called hit squad claimed to have carried out an attack on 14 lorries and two coaches at a coal board depot in South Normanton, Derbyshire, causing about £4,000 damage.

FT writers continue to draw up their personal Top Ten. Today **Barry Riley** picks out the worst business cliches

Words that show the state of the art

THE FT TOP TEN

TOP CLICHES

- Difficult economic conditions
- Hands-on management
- We don't want to re-invent the wheel
- Business strategy
- Learning curve
- We are going to be among the survivors
- Restructuring
- State-of-the-art
- Key parameter
- The bottom line

EVERYBODY no doubt has a business cliche which he loves to hate, from the chairman's annual observation that it is always "exceptionally difficult to forecast" to the business school professor forever grappling with cash cows and alternative scenarios.

Many of the most jarring cliches inevitably emanate from the U.S. business scene. They used to originate from places such as the Harvard Business School, but these days they are often technology based – as in user friendly – or spring from securities market jargon.

The most hackneyed business cliches are likely to have some – though fortunately rarely all – of the following characteristics. They feature long, obscure words rather than short, familiar ones in an effort to impress but not to illuminate – beware of disintermediation, for example. They have euphemistic overtones, in an effort to disguise starker truths – people no longer default on obligations, but renegotiate them.

Some are simply overused. They are clever or at any rate acceptable when first coined but become intolerable when trotted out yet again – no doubt in a subtly wrong context – by an assistant public relations officer or a junior minister.

Such speakers can instantly transport us into the high profile world of ongoing situations in which people indulge in top slicing and market segmentation, and if they are clever they wrestle with conceptual frameworks.

In no particular order, here are my own ten choices. Since the selection is tricky, I will begin by showing sympathy to the company chairmen who invariably refer in their annual statements to the "difficult economic conditions" faced during the year. Plainly it would be unwise ever to admit to easy economic conditions, for shareholders might expect correspondingly good results.

In tough circumstances "hands-on management" is clearly desirable although it is less clear what precisely the phrase means. At a guess, it implies that the top executives are always interfering in what their subordinates are doing. Hands-off management is never admitted to – which is not to say that it does not exist.

Innovation is a good thing, but many companies are adamant that "we don't want to re-invent the wheel." They want to copy what others are doing, and indeed to imitate their phraseology. Who would want to re-invent a cliche?

My next choice is anything to do with a "business strategy," especially when it is developing, focused or optimised. Strategy has largely replaced the simpler word plan, having the advantages of more syllables and aggressive militaristic overtones.

Many people like to move down, or up, or at any rate along the "learning curve," a concept which once had rather precise production cost applications, but nowadays seems to be applied to many situations in which people hope they will be able to learn from their mistakes.

With the economic recovery, fortunately, the survival cliche is less in evidence. "We are going to be among the survivors" was the proud boast of many a doomed chief executive, and survival plans proliferated during the recession. Perhaps survival strategy was thought a little clumsy.

Survival, however, usually required "restructuring," a usefully neutral alternative to shrinkage or closure.

Back to the U.S for "state-of-the-art," an extraordinarily unwieldy adjective which has spilled over from the wilder reaches of the high-tech sector. Then there is the "key parameter," a bafflingly elusive concept. According to the dictionary a parameter is a quantity which is constant but can vary in other cases, which does not help much. It is idle to speculate on which parameters influence the transformation of a phrase into a cliche.

Finally, the bottom line just has to be "the bottom line," originally a reference to the earnings per share information given at the foot of U.S. company results statements. Now it has become absolutely the end.

Tomorrow: The ten most memorable nights at the opera.

Four charged with theft of Rolls gas turbine components

BY IAN RODGER

FOUR MEN will appear in court at Rugby, Warwickshire, tomorrow, charged with the theft of gas turbine engine components from Rolls-Royce, the state-owned maker of aero and marine power units.

The charge specifies a single £100,000 rotor, but it is alleged to be part of a large number of components stolen over many years for use in military ship engines.

Sir William Duncan, chairman of Rolls-Royce since April 1983, said there had been "a very serious problem" at the group's Ansty works, near Coventry, where engines are built for industrial and marine use.

The thefts involved components for marine versions of the Tyne, Olympus and Proteus engines. The Tyne and Olympus engines are fitted on various large warships owned by Argentina, Brazil and Iran, among other countries. The marine version of the Proteus is fitted on hovercraft.

While police were investigating the thefts early this year they came across evidence of corruption in dealings between Rolls-Royce and five of its small suppliers of components. The police visited the suppliers and then advised other large manufacturers that their employees might be receiving gifts from some of the five in return for orders.

Jaguar Cars has also confirmed that it uncovered evidence of a problem and invited the police to investigate. The company said the dealings being examined were at a very small level. They involved the supply of limited batches of prototype components or consumables from small subcontractors, not major orders of production parts.

Any wrongdoing might turn out to be little more than breaches of company regulations, but the group was determined to stamp it out.

Two other BL subsidiaries, Austin Rover and Land Rover, were also warned by police of possible corruption in dealings with the five subcontractors. In May, Austin Rover sacked six employees involved in obtaining components from outside companies after an internal inquiry. No allegations of criminal behaviour were made.

Charges were first laid in March against five men in connection with thefts of Rolls-Royce components, but one of them was found dead in a car in May, and an inquest jury returned a verdict of suicide.

The other four are likely to be released on bail after tomorrow's court appearance while police continue their investigations.

UK NEWS

BT steps closer to share flotation

By Jason Crisp

AT ONE minute past midnight this morning British Telecom (BT) became a public limited company, bringing it one step nearer its massive share flotation this autumn.

In the language of Whitehall today is transfer day, when all the assets and liabilities of BT, the nationalised industry, pass to British Telecom plc which is, for the moment, 100 per cent owned by the Government.

Yesterday was the appointed day when large chunks of the 1984 Telecommunications Act came into force. This meant the new regulatory body, the Office of Telecommunications (Oftel) came into being and BT lost its long-held exclusive privileges to run Britain's telephone system.

With effect from yesterday BT is operating under a licence which sets out its rights and its obligations. It will be Oftel's job to see that it does, and investigate any complaints about its actions.

BT's customers are no longer legally impotent in their dealings with it. For the first time the customer will have a contract with BT and will be able to take it to court if it fails to provide the promised service.

From today Oftel is supposed to be alert to any sign that BT might be abusing its power as the dominant supplier of telecommunications services and equipment. Many of the details are spelt out in the licence, which was the result of protracted haggling between Government and BT.

These range from requirements to carry on providing loss-making services such as free emergency calls, public callboxes, services in rural areas to preventing it trading unfairly through cross-subsidation.

Oftel is also responsible for ensuring that those other organisations which have been licensed under the Acts also meet their obligations. Oftel has considerable powers and the industry is going to be watching very closely to see how Prof Bryan Carsberg, the first director-general of Oftel, handles them. Dissatisfied customers of BT will be able to complain directly to him.

Prof Carsberg, and a small team recruited from the Civil Service, have an extensive brief to ensure fair play in the increasingly rough telecommunications game in the UK.

Channon tipped for Ulster post

By Peter Riddell, Political Editor

MR PAUL CHANNON, the Minister for Trade, has emerged as a strong candidate to succeed Mr James Prior as Northern Ireland Secretary in the expected Government reshuffle in early September.

Mrs Margaret Thatcher, Prime Minister, has apparently not yet reached a final decision on the post, but Mr Channon's name has been increasingly mentioned by senior ministers in the last week or two.

Mr Channon is one of the most experienced non-Cabinet ministers in the Government, having served in a wide range of departments, beginning with the Heath administration.

His reputation is as a quiet, low-profile minister who gets on well with people.

He served briefly as a minister of state in the Northern Ireland Office at its foundation in 1972 and has personal connections with Ireland through close links with the Guiness brewing family.

Industries shed over 300,000 jobs since nationalisation

BY ROBIN PAULEY

THE BRITISH Steel Corporation has shed 72 per cent of its workforce since passing into public ownership and 150,000 jobs have been lost from other industries nationalised and under the responsibility of the Department of Trade and Industry.

Mr Norman Lamont, Industry Minister, disclosed in a Parliamentary answer to Mr Eric Deakins, Member of Parliament for Walthamstow, that in March this year British Steel had 71,000 employees, a fall of 72 per cent compared with the 257,000 workforce in 1967.

Mr Deakins asked Mr Lamont to specify for each publicly-owned industry and corporation for which his department was responsible the number of employees at the time of its passing into public ownership or in 1954, whichever was the later, and the present number of employees.

BL had 184,000 employees as British Leyland in 1975 but by last December had 81,000, a fall of 51 per cent. British Shipbuilders' workforce fell from 87,000 in July 1977 to 49,000 in March this year, a fall of 44 per cent. The Rolls Royce workforce was 30,000 in May this year, about 38 per cent down on the 1971 figure of 64,000.

British Telecom staff has not changed significantly, falling from an average 246,000 in 1981-82 to an average 245,000 in 1983-84.

The Post Office staff increased from 178,000 in October 1969 to 181,000 in March this year.

MANAGEMENT

EDITED BY CHRISTOPHER LORENZ

Sales of Skoda cars to the West last year rose to 52,000 from 11,500 in 1979

Payment by results in Eastern Europe

Leslie Collit reports on the architect of Skoda's export drive

ANDREJ BARCAK is an a typical Czechoslovak company director — which is probably why he has risen so fast in the ranks of Motokov, the Prague-based foreign trade corporation which sells Skoda cars abroad.

Last year, sales of Skodas in what is officially called the "convertible currency area"—the West—rose by 25 per cent to 52,000. The UK, a land of commercial opportunity even for Czechoslovak cars, was the largest Western customer, buying 11,000 cars. Skodas brought in a healthy chunk of the hard currency Czechoslovakia earned last year and 37-year-old Barcak, who is in charge of car exports to the West and to Comecon, has become one of his country's most knowledgeable gleaners of such currency.

His rise to such a position included a spell as trouble-shooter for Skoda's UK sales company when the car's image was badly dented in 1977 by an Automobile Association report, widely cited in the press, which maintained that the rear-engined Skoda had handling problems.

"The criticism was justified," says Barcak, although he maintains that the car was not dangerous but "could give trouble in extreme circumstances."

The car had been introduced in the mid-1970s as a compromise model after plans for a front-engine vehicle, designed by Italdesign, had failed to materialise in the early 1970s. The car met with less than rave reviews. The Skoda management, which believed that it could match anything produced *in its class in the West, almost* failed to learn a costly lesson.

Barcak was chief of the technical department and then area manager for Germany, Austria, Switzerland and the Netherlands before being sent to Britain to handle the growing crisis. He ordered changes in front axles and shock absorbers on Skodas exported to the UK and adapted specifications to suit the UK market. Within a year he took over as technical manager of Skoda Great Britain, at Kings Lynn, with 170 employees under him. Sales held up for a while but the changes failed to counter the car's crumbling reputation. By 1980 UK sales had plummeted to 5,900 from 11,519 the year before.

Barcak, however, was given credit for laying the groundwork for a revival which came in 1983 when some 8,000 cars were sold in Britain. Last year Skoda purchased £4m worth of bumpers, tyres, alloy wheels, sun roofs and radios in the UK for its cars.

When Skoda began to plan a new model for the late 1980s it again decided to rely on its own resources. However, after two generations of prototypes had been produced and then scrapped when it became clear to Motokov that they would not sell in the West "I convinced Skoda management it would be wise to go to the Italians" says Barcak.

Despite previous unsuccessful attempts to forge links with the Italians, a leading Italian designer was finally chosen and the car is to be introduced in 1987. Several key components such as brakes and lighting will be licensed from Western manufacturers and the car will be produced with $100m worth of equipment and licences to be bought from the West.

With a newly developed 1300 cc engine and five-speed gearbox the new model will be aimed somewhat upmarket from its present niche at the lower end.

"We'll move up in price, too," Barcak explains, adding that "unfortunately we don't know what the price policy of the Soviets will be." (A new front-wheel-drive Lada hatchback is to come out in the Soviet Union later this year and Lada is Skoda's main competitor in Western markets.)

Although a designer by training, Barcak left a research institute 11 years ago to join Motokov on the commercial side of the business with responsibility for sales in Comecon countries.

"It's easier there," he notes with a laugh. "If something doesn't work then it's blamed on the technical people. If it's OK then the commercial side gets the credit."

Until recently the market place had little direct impact on the way Skoda operated. Up to last year Motokov had the job of selling Skodas abroad while the manufacturer's responsibility ended on delivering the cars to the railway station and collecting its money. This was the anomalous situation with most Czechoslovak producers and their foreign trade organisations. Prompted by the Government, Motokov signed an agreement with Skoda last July under which the factory retains ownership of the car until Motokov sells it on a commission basis.

This is part of a long overdue experiment by the Government involving six producers and their foreign trade organisations. The idea is to motivate the manufacturer, which will be allowed to keep a growing share of the hard currency earned, to improve its product.

Barcak notes it is "too early" to say whether there have been tangible results from the new relationship between his firm and Skoda but that he hopes it will bring them closer together.

In another experiment, Skoda, along with the 139 other trusts which embrace Czechoslovak industry, is permitted to pay workers a greater amount above the basic wage than previously if their productivity and quality of output improves. Profitable companies can now increase their wage fund without ministerial approval and workers are expected to put pressure on management to improve the products so that wages can rise. Similarly, if technicians do a good job they can be paid several times more than the basic wage. Barcak says he earns double the salary of a director who did not fulfil the plan. A few years ago he would have been given only a couple of hundred Koruna, or 25 per cent more.

The relationship of car companies in central planning economies such as Czechoslovakia to their suppliers is a unique one. Skoda has no choice of suppliers but must buy whatever the sole manufacturer of a given component offers. Thus the Czechoslovak automotive industry, which produces 170,000 cars, provides just enough starters, alternators, wheels and tyres for them instead of turning out an economic volume. The monopoly suppliers can tell Skoda either to take their product or leave it and Skoda often finds that it has to take the lowest common denominator.

Commenting on the hit or miss attitude of many Czechoslovak firms, Professor Jaroslav Nykryn of the Prague School of Economics says it is a "pity" they cannot go bankrupt as things "would be better that way." Subsidies, he notes, should be withdrawn from inefficient companies while inventors should be given "half a million koruna in rewards" and a share in hard currency if their product is sold in the West.

Fundamentally, Nykryn insists, there is no difference in the essence of economies in East or West but only in their management.

"It's subjective, in the heads of managers. After all there is only one theory of value," he says, referring to the labour theory of value thought up by Adam Smith, expounded by Ricardo and accepted by Karl Marx who expanded it into the theory of surplus value.

Nykryn's views, while shared by a good many of his fellow economists, are not exactly popular with the central planners or with the bulk of Czechoslovak company directors who were chosen largely for their political reliability after the political "crisis" of the Prague spring of 1968.

Barcak represents a newer breed of director who, while thoroughly vetted politically, has been promoted because of the urgent need for his expertise.

He says Skoda expects to repeat its 1983 sales performance in the West this year but has no plans to boost production above 200,000 cars. However, with a sharp drop in Skoda exports to East Germany, which plans to boost production of its own cars, this will leave an added number of Skodas for Western markets.

Demand for cars in Czechoslovakia, where the cheapest Skoda costs koruna 55,000 ($8,330 at the official rate) has *flattened out since the price of* petrol was raised to 9 crowns a litre. It takes the average Czechoslovak industrial worker 20 months of wages to buy a Skoda and after that he has to spend his total monthly wage in order to buy 300 litres of petrol.

How a little camaraderie helps boost productivity

BY IAN HAMILTON FAZEY

DAVID EVANS, isn't quite sure how it has happened but productivity is definitely on the up in his organisation. "We are getting work out quicker with fewer staff," he says.

The reason may be partly due to the happier working atmosphere he has noticed lately and what he says is improved camaraderie in the offices, but the principal factor has been the move.

Evans has been in charge of it. It has not been any old move but an important part of the Government's attempts to disperse some of the Civil Service out of London and into the regions, in this case the Health and Safety Executive, two-thirds of which is half-way through being relocated to Bootle on Merseyside.

When the factory inspectorate *moves in the autumn the bulk* of the dispersal will be over, with the only unwilling group, a 130-strong contingent of the nuclear installations inspectorate, comprising the majority of those still to come.

About 900 jobs have been involved, though only about half have involved physical upheaval for the civil servants. These were people in professional grades. The others were in administrative and clerical posts that could be filled on job-starved Merseyside, the affected London posts being "lost" through a combination of redeployment and natural wastage.

The difference between working life in London and "out in the sticks" is thought to be a critical factor in improving productivity. Staff do not have to dedicate major parts of their daily lives to commuting. The result is not only improved convenience for the individual but better mixing among themselves.

Working life in the South-East sees most office colleagues dispersing at the end of the day to homes spread so widely from each other that regular socialising outside work is at best difficult and mostly practicably impossible. Such total separation of work and social life does not help loyalty and morale.

Living in a smaller conurbation has changed all that. Evans says that socialising after work has become more common, though some of that is bound to be due to relocated families leaning on each other for support in the early days.

Factors like this have boosted individual and organisational morale, he says. There has also been an uplift from the influx of new blood into the jobs that have been filled locally. "People seem much sharper up here," Evans says. "The quality of staff is high and so is their enthusiasm. They also work very hard. By contrast, years and years of London life can wear people down."

The more tangible benefits of dispersal are readily apparent. Office rents are less than one-third of London levels. Salaries are also lower, though relocated staff will not lose London weighting of £1,500 a year — their salaries will be frozen until pay rises take their basic pay past what they get now.

These savings, however, are expected eventually to wipe out the costs of the dispersal, budgeted at £21m but likely to be less, according to Evans.

Not everything has gone well. One-third of the HSE is employed on policy-making and proximity to Westminster was thought essential, so only the administrative and operational headquarters have been dispersed. This has led to higher-than-expected capital spending on modern computerised telex machines, facsimile transmission equipment and telephone conferencing facilities for keeping in touch.

What about staff resistance? Evans says that all professional grades involved have mobility as an obligatory clause in contracts of employment and the Government's view is that contracts should be honoured. He himself moved early on to establish his own credibility, even though his next job is likely to take him back South within a couple of years.

Management abstracts

Recruiting manual workers. H. Catt in Industrial Relations Journal. (UK), Spring 84

The group personnel manager for Ash and Lacy's metal works reveals how his company has learned to cope with a recession-induced tidal wave of applicants for every skilled, semi-skilled or unskilled job vacancy; provides figures and some historical background.

Bad supervisors. C. Wyles in Works Management (UK), April 1984

Despite management's recognition of the crucial role of supervisors, charges that the right people are rarely selected for supervisory posts, training is inadequate, fair conditions and rewards are withheld, and little effort is made to integrate supervisors into the management team. Stresses the importance of involving supervisors in the management/shopfloor communication process, and the growing need for supervisors to possess (or acquire) managerial skills.

Does management development fail to deliver? H. Laufer in Zeitschrift Führung plus Organisation (Fed. Rep. of Germany), March 1984 (in German, English version available)

Questions why there is decreasing interest in management training; believes this is only partly due to the depression-induced preference for training that produces results in the short term ("send a production manager on a course in information technology, and he can start practising what he has learnt as soon as he gets back, but send him on a course of "management-by-..." and results will develop only gradually"). Sees as other causes that much previously-needed teaching is now accepted as good practice, that the multiplicity of offers confuses (particularly when gurus start having goes at each other), and that, after all this time, there are still trainers who believe in platform teaching, and others practising a DIY/case study style, when what is clearly needed is the right mix of the two.

These abstracts are condensed from the abstracting journals published by Anbar Management Publications. Licensed copies of the original articles may be obtained at £3 each (including VAT and p+p; cash with order) from Anbar, P.O. Box 23, Wembley HA9 8DJ.

TECHNOLOGY

EDITED BY ALAN CANE

ALTERNATIVE ENERGY

Why wind power is attractive

WIND ENERGY has little future in Britain. Nevertheless, the British Government continues to support industry efforts to build up expertise in this form of alternative energy even though other types such as wave power, failed to win the government's continued finance.

The export potential of wind turbine makes the technology attractive enough for more Department of Energy funding.

This year alone, the UK Government will spend more than £5m on major pilot schemes to build wind turbines in the UK. One of the projects recently approved by the Government is a £1m turbine to be built at Ilfracombe, Devon, in the south-west of England.

The 250 kw wind generator will provide electricity to about 250 homes in the area. It has a 25-metre diameter turbine blade and can operate in wind speeds from 5 metres a second to 25 metres a second.

The wind generator is being built by the Wind Energy group. This is a consortium of three of Britain's largest industrial concerns—British Aerospace, Taylor Woodrow Construction and General Electric Company's Energy Systems subsidiary. The European Commission has contributed 20 per cent of the project's cost.

The Wind Energy Group says that the machine is a commercial version of an experimental turbine generator which has been operating on the Orkney island off the coast of Scotland for nearly a year.

Once the new machine—planned to be ready by the end of the year—has been fully tested, the Wind Energy Group (WEG) plans to try and export the machines. Britain's own use of wind power is likely to be limited to turbines placed offshore to supply remote communities.

WEG calculated that a world market exists for at least 4,000 wind machines. The U.S. is the largest potential user. This is due mainly to the fact that the government offers very attractive tax incentives. However, these encouragements will cease in 1986 so world wind turbine manufacturers are trying to develop machines for the U.S. before the end of the tax credits.

Other attractive exports markets for British companies are in the Caribbean, Mediterranean and areas in the world which are dependent on diesel generation for their electricity. Dr David Lindley, general manager of WEG, says that the 250 kw turbine is competitive with diesel generation.

The Department of Energy is about to give its approval to WEG for a larger 3 Mw wind turbine also to be built at Burger Hill on Orkney. The cost of this turbine has risen since it was first proposed in 1982 and is likely to be £9m. This project will be jointly financed by the Department of Energy and the North of Scotland Hydro-Electric Board which supplies energy to this part of Britain.

WEG is not the only group developing wind turbines. The Department of Energy has funded another company, James Howden in the development of a 200 kw turbine. Last month this company won its first export order worth £535,000 to supply a 330 kw wind turbine to Southern California Edison. So this company has beaten WEG in the race to export. It is hopeful that more orders will come from the U.S. wind farmers.

ELAINE WILLIAMS

MOBIL EXPERIMENTS WITH CASHLESS SHOPPING FOR PETROL

Fast cash for gas on the forecourt

BY ALAN CANE

WELL SUBSTANTIATED rumours that London clearing bankers were having second thoughts about their plans to launch a nationwide cashless shopping system in 1986 forced the banks last month to reconfirm their commitment to the project.

Additional resources would be allocated, they said, and retailers, manufacturers and Government would be party to their detailed discussions.

All of which is likely to mean that the projected start date will slip by a year or more although this has not been confirmed officially.

1986, 1987 or even 1990, it is already too late for some industries which see the provision of cashless shopping services (electronic funds transfer at the point of sale or EFT/POS) as an important part of their marketing strategy.

The oil companies, in particular, are finding the delay irksome. The principal EFT/POS experiments in the UK have been carried out in conjunction with the petrol business and with good reason. They are interested in speed of service, and they see buying petrol with plastic cards as their best bet. They see ways to reduce car queues at stations as almost as important as games like "Mastermind" and "Scrabble" in holding market share.

It makes petrol stations ideal sites for EFT/POS trials. One of the first experiments in the UK — "Counterspeed" — involved a number of petrol retailers in Norwich, Norfolk and Barclays Bank, and yielded results which Barclays claimed were "useful." It ended in 1981.

Another experiment "Counterplus" involves BP Oil and the Clydesdale Bank in Scotland and now covers 24 garages in the Clydesdale area.

Payments made using Clydesdale, Midland (its parent) or Access cards are transmitted on-line to the bank, but the customer's account is not debited until later to give the illusion of the customary two day "float."

Now Mobil Oil has established a prototype EFT/POS system at its Wellington Road, London, service station which it hopes soon to extend to its 130 company owned and operated petrol stations throughout the UK.

It is using a new service "Pisces" from the computer bureau Centrefile, owned by National Westminster Bank. Pisces stands for "Petroleum Industries Service for the Clearing Electronically of Sales." Other oil companies using the service are Texaco, Ultramar, Esso, BP, Shell, Petrofina and Gulf.

High speed gas: customers serve themselves with petrol and present their cards to the kiosk attendant; a swipe through the till, a signature on the bill and away

Mobil is an interesting example to examine in detail because it already has a track record in this kind of development in the U.S. Last year, it announced an agreement with a major electronic funds transfer network—the EFT Group and the Most System—intended to be the first stage in a nation-wide cashless petrol shopping system.

Eventually the network would cover 2,400 Mobil service stations across the U.S.; at the start it covered some 100 stations principally around Washington DC.

Mr David O'Connor, president of the EFT Group, said at the time: "The system provides for the immediate authorisation for all Mobil Oil credit cards, but most significantly provides for access with bank debit cards for direct debit of depositary accounts in payment for gasoline and related purchases."

So in the U.S. Mobil is aiming for direct debit; the card is validated on-line and moves money out of the customer's account as the transaction is completed. By all accounts, it is working well.

What is happening at Wellington Road is less sophisticated but no less of a step forward.

The station is equipped with a multiple function point-of-sale terminal. Built by Edacom Data Systems of Finland and costing £5,000 a time, the conventional cash register or as an electronic point-of-sale terminal can function as a device.

It is fitted with a large bubble memory, a sophisticated form of computer memory where information is stored as minute regions or "bubbles" of magnetism; such memories are especially useful in "real world" conditions because they are not harmed by heat, light or dirt and will retain their contents even if the power is turned off.

The terminal is designed to work electronically for people paying using a credit card—some 40 per cent of all petrol sales—at present only Access although plans are well advanced to add Barclaycard to the system.

The customer having filled up his or her car on the forecourt, presents the card to the till operator who "swipes" it through a reader on the terminal. This takes only seconds, compared with the conventional chore of writing out the Access slip and imprinting it with the embossed Access card.

The value of the transaction is keyed in and all the information—card number, card holder, transaction, value, and so on, is stored in the bubble memory.

The one concession to tradition is the signing of a printed Access slip—required by law.

At night, Centrefile automatically polls the station, and retrieves all the data from the bubble memory. It then passes the transaction data to Access for reconciliation.

The customer gets faster service; the garage pays a lower merchant service charge to the credit card company, Centrefile gets more business, and British Telecom sells more time on its packet switched data transmission service.

Mr David Stranack, Centrefile's assistant services controller, says: "We believe this is a small beginning for a service which will grow and grow."

Computers

Workstation family

APPLIED Digital Data Systems Inc, a subsidiary of NCR Corporation, said it introduced its "Adds PC/I" and "Adds PC/II" the first members of its new family of workstations/personal computers designed to be fully compatible with the International Business Machines' personal computer.

The company said its computers offer a selection of six foreign-language versions of the MS-DOS operating systems, along with companion foreign-language keyboards.

It said the standard Adds PC/I, with 256K of memories, dual floppy disk drive, a keyboard and monochrome monitor will cost about $2,650, or $2,445 without monitor.

Applied Digital said the Adds PC/II, with 10 mb winchester drive, will cost about $4,200 or $3,995 without a monitor.

The company said the computers are available through 23 of its existing distributors in the U.S. and more than 30 of its distributors overseas.

President David Laws said the company will continue to broaden its line of personal computer products as well as extend its entire product line.

Software

Artificial intelligence

DATA GENERAL plans to introduce a software system for artificial intelligence computer systems.

The product, known as the common LISP programming environment, will be licensed for use on Data General 32-bit superminicomputers and new engineering workstations.

The company said the product will be unveiled at a conference on artificial intelligence planned in Austin, Texas, in early August.

THE ARTS

Architecture

Colin Amery

A sense of marine dignity

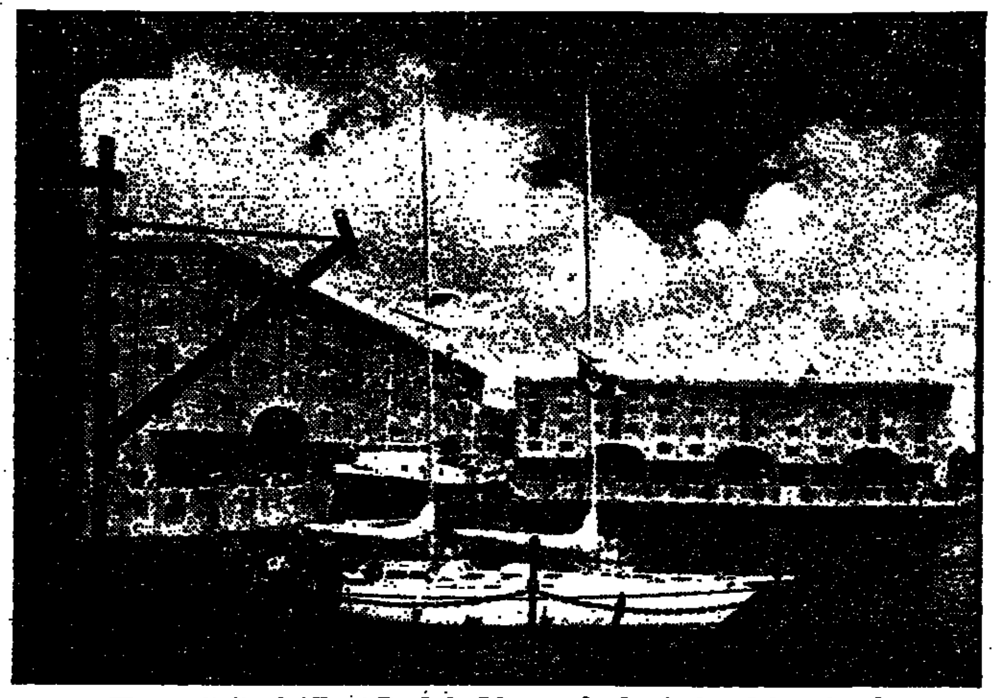
Liverpool is a great architectural city. Because it was England's first and finest Atlantic port it has an inheritance of waterside architecture that is second to none. On the other side of the Atlantic, New York has its South Street Seaport where maritime nostalgia combines with architectural restoration to provide an agreeable respite from the high-rise life. Liverpool, however, is not New York and it has taken years of politicking and pressure to convince anyone that the city's maritime past might also have a future.

As the grandest sailing ships in the world came into Liverpool last week at the end of the Tall Ships Transatlantic Race the Mersey regained for a moment a sense of marine dignity that seemed to have vanished forever. To coincide with the arrival of the ships, the finest of the 19th century docks was reopened to mark the start of its redevelopment.

The Albert Dock represents the very finest of the architecture of the functional tradition. There are five ranges of grand warehouses surrounding the basin, massive in their brick blankness with arches resting on solemn lines of cast-iron Tuscan columns.

St Katherine's Dock in London had this sense of plain merchant splendour until practically all of the great warehouses were ruthlessly demolished. St Katherine's was earlier than Albert although both share the hand of Philip Hardwick. He design the London dock buildings in 1825 and then worked with Jesse Hartley in Liverpool to design the Albert Dock, which was opened in 1846.

Hartley gave Albert Dock a rare kind of classical presence. The solidity of the blocks of warehouses echoed the weight of the bulky ships and suggested a sense of power over the vagaries of the tides and seas. Albert Dock was a grand haven, a solid base for the trading sons of the Empire. Old engravings show the Imperial pride that Liverpool once engendered with the Prince Consort sweeping into the AlbertDock in the Royal Yatch dressed overall.



The revitalised Albert Dock in Liverpool: classical and functional

Liverpool's days of grandeur are over and the city's problems are scarcely architectural ones. Many of the disastrous decisions since the end of the Second World War have, however, been environmental and too many people have had to live in ill-conceived high-rise blocks now deemed uninhabitable. The City Corporation has allowed far too many Georgian streets to be demolished and the revival of interest in the historic fabric has only been made possible by the intervention of the Government and the creation of the Merseyside Development Corporation.

The decision to rehabilitate and revitalise the buildings of the Albert Dock hinges on the collaboration of the public and private sectors. The Merseyside Development Corporation took over Albert Dock and is redeveloping it in partnership with the London developers the Arrowcroft Group. They envisage a five-year project converting the warehouses into a mixture of offices, residential, shops, cafes, bars and museums. The total cost is expected to be more than £100m.

The development corporation is meeting a large part of the initial cost, taking on responsibility for the infrastructure and weatherproofing. Arrowcroft's architects are the Franklin Stafford Partnership. The redevelopment will proceed in an incremental way and the first Arrowcroft stage is a simple one of the warehouse blocks redeveloped in a way to act as a prototype for the others.

The uses are mixed. Offices occupy the upper floors of this first scheme with shops and food establishments on the ground floors. A new mezzanine level has been tactfully inserted to increase the office space and to "humanise" the lower levels. The architects have designed this additional level in timber—the one material never used before in the construction of this fireproof iron and steel building.

It is relatively unobtrusive as an addition but emphasises the problems of doing anything to such an uncompromising and powerful piece of architecture. To date there are a dozen or so shops and a pub in the vaults all of which show that the Albert Dock could work as well as Covent Garden or New York as long as there are enough people willing to visit and spend money.

The architecture is so strong that there is little need for the "humanising" elements so beloved of developers. Indoor plants look ridiculous here. The existing brick-vaulted structure with its quarry tiled floors and all the surrounding elements—cranes, winches, chains and bollards—provide enough visual and architectural interest.

The Merseyside Maritime Museum now occupies part of Albert Dock and the architects Holford Associates and Brock Carmichael are responsible for the adaptation of D block into a part of the Museum. The boathall, workshops and pilotage building are already parts of the Museum that have been open since 1980.

The addition of the Albert Dock premises make it possible to show ships and a tableau about docking by the waterside. There is something poignant about the wax figures of the dockers loading imaginary loads on to imaginary ships that sail nowhere. I forget who it was that suggested that the UK should become the Museum of Industrial Archaeology for the whole of Europe—but sometimes that day seems unnervingly close.

It is nonetheless wonderful to see these magnificent docks returning to some kind of life and it is devoutly to be wished that they will help with the real regeneration of Liverpool. There is a danger that, like San Francisco's renovated chocolate factory, it will just become a place to eat ice cream.

Jason/Buxton Festival

David Murray

A week ago Max Loppert discussed here the Buxton *Médée*, Cherubini's opera restored to its original proportions. Not only is this year's Festival theme the "Greek Revival," but the Jason and Medea story has been assigned special prominence. There have been lunchtime readings from the ancient tale of the Argonauts, and showings of Pasolini's *Medea* film (with Callas) and even the Hollywood special-effects epic *Jason and the Argonauts*; and—by way of giving *Médée* a matching satyr-play—Francesco Cavalli's 17th-century "music drama" *Giasone*.

With sponsorship by Martini and Rossi, *Giasone* gets its first British performances as *Jason*, in an English version by the producer Ronald Eyre and in an orchestral realisation by the conductor Anthony Hose. I have to say at once that for all I know, Mr Eyre and Mr Hose may have made it all up by themselves; though *Giasone* is said to have been Cavalli's greatest European success, it has rested in complete obscurity these many years. Apparently (and wisely) the opera has been much trimmed for Buxton — it was composed, after all, for an audience who expected to see extremely lavish proceedings, but to pay only intermittent attention to them between chatting, eating, playing cards and napping. To that sort of confection modern notions of dramatic structure and suspense hardly applied.

We may assume, then, that the Eyre/HoseJason boasts a selected shape that answers to present expectations of entertainment, not to historicall piety. (A pious reconstruction would probably drive one to chatting, eating, etc.) The manner of the production is much like that of John Cox's Scottish Opera version of Cavalli's *L'Egisto*, decorative, jokey and fairly swift. The new text extends the comedy, surely,

Robin Martin-Oliver and Lesley Garrett

beyond the original: it guys the "heroic" figures as much as the "comic" ones. And why not? The latter part of the second and last act limps a little, because the elaborate tying up of ends carries no weight with such brittle characters. Even there, Lesley Garrett's passionate delivery of her final pleas (as Hypsipile, Jason's estranged wife) brought some passing life to the show, despite her tendency to sing on the bottom edge of the note.

Hose's instrumental realisation for an appropriate period band sounds entirely convincing, nicely varied without being tempted toward extreme effects. Robin Don's basic set, a wide staircase that admits of transformation into palaces, seas and quays by Philip Edwards' skilful lighting and some discreet electronic soundscaping, is above all an arena in which the singers can disport themselves (with evident satisfaction) in his chic witty costumes.

In the Monteverdi tradition, the score consists of expressive recitative (graceful but rarely more than conventional as Cavalli does it) which rises occasionally to a big scena or quasi-aria, and leaves room for melting little numbers with simple sequential tunes. In the Cicognini libretto Medea remains a witch-seductress, but one whose claws are drawn (she murders nobody and settles at the end for the hand of the King of Athens); Eirian James makes her a wickedly Kittenish vamp, and she and her Jason—the counter-tenor Robin Martin-Oliver, cutting a romantically moody figure despite a weak lower register—enjoy several duels of some breadth and feeling.

Michael Chance began the story as Apollo in fine declamatory voice, and as his opposing Amor the boy soprano Stefan Brochwicz-Lewinski revelled in alarming self-confidence and some efficient stage-machinery. Among the lesser personages Thomas Dewald sang stylishly as the King of Athens, and Roderick Earle as a surly servant; Paul Hudson first lowered as Hercules with a giant club, and then reappeared as a gruff, solid Captain of the Guard faced with a moral dilemma. There was a comic cameo by Francis Egerton as a stuttering steward, and another by Nuala Willis as Medea's nurse—the usual Willis cameo, but none the less engaging for that. Beverley Mills makes a tough, practical maid.

Eyre can be counted upon for bright, unexpected stage ideas, and his production is ornamented by many small, funny *trouvailles*—not so many as to subvert the story, but enough to maintain one's interest while conventional plot-twists and reversals wind along. It all makes a pretty evening, undemanding and without special revelations, but not a waste of time.

Verdi & Monteverdi/Albert Hall, Radio 3

Andrew Clements

There was an Italian feel to Saturday night's Proms: Verdi's Requiem to begin, then a late-evening programme of madrigals centred on Monteverdi. The orchestra for the Requiem was the BBC Symphony, the choir the combined forces of the BBC Symphony Chorus, the Leeds Festival Chorus and the London Philharmonic Choir. But conductor and soloists had strong affiliations with the English National Opera: Mark Elder, with Rosalind Plowright, Linda Finnie, Dennis O'Neill and John Tomlinson.

Despite their pedigree, it was curiously the less extravagantly dramatic moments of the Requiem that received the most detailed and refined treatment from Mr Elder and his team. There was even the feeling that the grandest passages were deliberately underplayed: the opening of the Dies Irae, for instance, favoured fastish, light-weight tempi over sheer noise; even with over 400 voices the music was never allowed to become muscle-bound. The result was to bring light and shade into thie score, rather than to deprive it of essential character.

Certainly all the solo singing was most strongly characterised. Mr Tomlinson's "Mors stupebit," Miss Finnie and Miss Plowright together in the Recordare and at the opening of the Agnus Dei, Miss Plowright alone in the Offertorio, all gas the impression of most careful preparation and attention to the function of their contributions within the music plan; as a quartet they seemed most finely balanced. How good to come upon an account of the Verdi Requiem absolutely lacking in histrionics and intent only upon producing a tightly coherent and lucid presentation of the score.

Recently the Consort of Musicke has emerged as a kind of 17th-century equivalent of the Songmaker's Almanac, giving each of its programmes a well-defined profile and *raison d'être*. Thus, while its programme on Saturday evening took Monteverde as its starting point, it did so to demonstrate how his influence was passed on to disciples and also how it was disseminated in England: Monteverdi himself was paired with Sigismondo d'India, rehabilitated by the *New Grove* as second only to Monteverdi as a composer of vocal music in the early 17th century; the English school was represented by Thomas Weelkes and Walter Porter.

It proved to be a fascinating portrait, superbly delivered by Anthony Rooley and his singers, with discoveries to be made at every turn: a superbly ornate madrigal for solo bass by d'India, an ambitious instrumental toccata by Porter preceding one of his settings, above all the sensuously intertwined lines in the Monteverdi songs of love and war.

American Buffalo/Duke of York's

Michael Coveney

Like many contemporary American screen stars—Dustin Hoffman, Join Voight, Gene Hackman — Al Pacino has a distinguished background on the stage. Pacino's particular firebrand qualities in the *Godfather* films, *Serpico* and *Scarface* are rooted in a special kind of doe-eyed violence, the clenched knuckle in a silken glove.

Pacino has been obsessed with this David Mamet play for 10 years. He first played it off and on Broadway opposite Robert Duvall. He has toured the States as the twitchy street hoodlum Teach and is about to film the role for Sidney Lumet. He stops off in London for three months but does nothing to dispel the memory of Bill Bryden's National Theatre production six years ago.

Teach is one of two rival casual employees at Donny's re-sale junk shop. A valuable nickel — emblazoned with a buffalo—has passed through the shop. It must be reclaimed to establish the validity of all other transactions in Donny's shop and, more importantly, the relative standing of Teach and young Bobby (Bruce MacVittie).

The tension of the piece, one of vicious cat and mouse territorial rivalries and fine hatred, seems to me quite dissipated in Arvin Brown's lacklustre production which originates from the Long Wharf Theatre in Connecticut. The peculiar Americanism of it, the sheer rock and roll and swing of the language was much more successfully negotiated by our own National Theatre.

Pacino flicks a left eye every so often at the audience and dispels a round of welcoming applause with a broadside of vitriol. Grace and Ruthie, the last that is giving him a bad time, which he channels through a cold house store of Method tics and clichés. He keeps touching his hair, checking the parting, tucking his shirt in the top of his paints, splaying his legs, preening and primping generally like a man either afflicted with fleas or stricken with the St. Vitus Dance according to Lee Strasberg.

The rhythm and pace of the play has to hang around while all this is going on, unrelieved by the dour monotony of J. J. Johnston's shop keeper. The cluttered set of flying bicycles and bric-a-brac reminds you of how good was Grant Hick's for the National. Like Pacino, the play is now coldly impressive but unmoving. At the National, it was like hearing Pinter for the first time. Mamet deserves better than this fake reverence.

Michael Clark/Riverside

Clement Crisp

That Michael Clark is a gifted dancer there can be no doubt. He stood out in the annual Royal Ballet School displays when he looked a remarkably promising student; he illuminated the Rambert repertory during the subsequent year when he worked with that company; by the age of 19, when he opted for the post-Modern avant-garde, his solo and group appearances were exceptional—in surroundings where elegant bodies and sure technique are at a premium—for their physical distinction. Now, at the age of 22, he has formed his own "company" by joining with Julie Hood, Ellen van Schuylenburch and Matthew Hawkins, and the ensemble was launched at the week's end in Riverside Studios.

Mr Clark provides the choreography, and there's the rub. He has acquired a recent reputation as an *enfant terrible* (more *enfant*, given the dim routines of British post-modernism, than *terrible*) whose dances contain an element of shock: the cut-out posterior in costumes, which is the equivalent of a child shouting "bum;" the raucous energies of punk music and punk attitudes.

Extemporary) and *Flippin' Eck* (for Mantis), his thinness of invention was not excused by any such bravado, and in the two works which make up this Riverside programme, the dance was a poor relation to the dancers.

Do You Me? I did—MrClark's titles are nothing if not arcane—has reportedly, some connection with *Who's Afraid of Virginia Woolf?*. It offers a set of interwoven duets for Mr Clark with Julie Hood, generally lyrical, contrasted with combative encounters between Matthew Hawkins and Ellen van Schuylenburch. The manner is conventionally post-modern and dynamically unadventurous; it could as well be a gloss on *Little Women*. It is redeemed by the breadth of Mr Clark's own dancing, handsome in line and seemingly unaffected by the remorseless clatter of electronic wall-paper provided by Bruce Gilbert, or by mad-limbed bathing costumes from Body Map which look if a knitting machine had gone berserk.

New Puritans, the second piece, is, I expect, intended to *épatar* the bourgeoisie who are drawn to Mr Clark's performances through the considerable publicity he now generates. It is a form of punk dance responding to the ear-splitting din provided by a group called The Fall (who still have a long way to plummet), with costuming for Mr Clark and his partner by Leigh Bowery which contrives to be crassly transvestite without the wit or the street-chic of punks or the New Romantic young. (The other couple in the cast are in dull brown outfits as contrast to this infantile regalia.)

Mr Clark and Miss Hood clump about for a time in six-inch-soled boots; at one moment Mr Clark appears to eat a goldfish (it is that sort of an evening); the performers scratch themselves, spit, make timid urchin gestures and intermittently show that they can dance. As a joke it has all the lightness of a paving-stone.

What I find so obnoxious is the choreographic flimsiness and the shoddy conventionalism of its attitudes. It lacks the inventiveness of young performers in discos, of "break" dancers and "body-poppers" and "slammers" who are the real innovators in dance today; it even misses the wild integrity and angry amusement of punk music and fashion.

A Broken Set of Rules/Covent Garden

Clement Crisp

It is unusual to find a young choreographer making his first professional work on the stage of the Opera House. Ashley Page, a soloist with the Royal Ballet, won the Ashton Choreographic Award two years ago for a piece staged in a workshop evening, and his reward has been the considerable challenge of the Covent Garden stage, with a commissioned score from Michael Nyman and —as part of an evident policy to bring easel painters into the ballet — design by Deanna Petherbridge. The resulting *A Broken Set of Rules*, given its first performance on Thursday, appears an exercise from all three creators to extend and fracture certain classical attitudes.

Mr Nyman's score is a development from music made for the film *The Draughtsman's Contract*, which re-worked thematic material from Henry Purcell; Miss Petherbridge's massive studio architectural fantasies are here seen in a meticulously drawn set of Greek columns, plinths, pediments with a masking scrim.

Against this grey setting, Mr Page puts his three couples, in grey leotards with additional and somewhat distracting accoutrements of gauzy tunic tops and skirts, with the women also wearing transparent plastic halos, and all six dancers in coppery-bright wigs, the only note of colour in the decor.

The intellectual argument of the work seems clear enough. Its realisation is, I suspect at a first viewing, less than convincing. The score, brassy and unrelenting in rhythm, is a brash ground base for the dance. The unrelieved grey of the design makes a chill and somewhat desolate impression.

Mr Page's choreographic language combines classic disciplines with certain of the strategies and repetitious attitudes of the post-Cunningham manner as we know it from the work of Second Stride choreographers: low, long lines in arabesque with unyielding arms; hints of contact improvisation in the way one dancer will collapse on to another.

The final impression is of dance somehow out of focus, lacking some real centre of dynamic energy and planning.

Exhibition of plans for new Globe Theatre

The Globe Theatre is to be reconstructed at Southwark at a cost of between £6m and £10m. The Design Centre in Haymarket will hold an exhibition on the architectural and design elements of this remarkable project which will form part of a larger exhibition on Design in London. On view until September 8.

Nearly 400 years after it was first erected the Globe is to be rebuilt as faithfully as possible to its original open-roof design. Funds for the project, expected to take three years to complete, will be raised internationally by public and commercial subscription. It will stand on a riverside site in Southwark, just a few hundred yards from where the first Globe stood in the Sixteenth century.

This exhibition will show plans and perspectives of the future Globe Theatre and of its surrounding buildings. These will include the Inigo Jones Theatre, built to a design of 1617 by Shakespeare's contemporary, along with a Museum of the Shakespearena Stage and the associated other buildings of the Shakespearean Stage and associated other buildings of the development including flats, a public house and restaurant.

Balm in Gilead/Circle Rep

Frank Lipsius

The audience at the New York revival of Lanford Wilson's mid-1960s *Balm in Gilead* is subjected to a persistent beggar and street photographer while crossing the Circle Rep stage to take their seats. One lady, who tried to get rid of the photographer by telling him she already had a headache, was told, "If you've got a headache now, I don't know how you'll sit through the play."

The photographer was right. She left at the interval and so missed a loud, vibrant and exciting production that reflects not only the street life of half a generation ago but also a playwright's giddy exuberance, when he could put two dozen actors on stage and expect the play to be produced (originally staged at La Mama).

John Malkovich, best known now for his role as Biff opposite Dustin Hoffman in the Broadway revival of *Death of a Salesman*, directs the large company comprised of Steppenwolf and Circle Rep actors. To the appropriately rough and loud riffs of Bruce Springsteen songs, the cast infest an upper-Broadway all-night coffee shop like an ant colony moving in on a picnic. Drug addicts, whores and pimps lounge round the garish yellow and orange shop(so well conceived by designer Kevin Rigdon).

Conversations overspill each other in tumbling confusion except, when one addict comes out of his stupor to speak to the audience and have the lights and music focus on one conversation. The centre of attention eventually rests on two out-of-place middle-class kids, Joe (Danton Stone) and Darlene (Laurie Metcalf). Joe is trying to make a connection with a dope ring to become a dealer. In protecting Darlene, who has just arrived from Chicago, Joe gets her as a guardian angel trying to squelch the deal. She fails, and as though it were just one more minor event in an endless night, Joe is murdered in shocking slow motion, repeated twice.

Arts Guide

Music/Monday. **Opera and Ballet**/Tuesday. **Theatre**/Wednesday. **Exhibitions**/Thursday. A selective guide to all the Arts appears each Friday.

Aug 3–9

Music

PARIS

Piano-duets: Schubert, Grieg, Dvorak, Brahms (Tue 6.30pm). Town Hall of the 5th Arrondissement, 21 Place du Panthéon, Métro Luxembourg.

German Baroque Music – Konrad Junghanel, Lute: J. S. Bach, Weiss (Wed 6.30pm). Musée Carnavalet, 23 Rue Sevigne, Métro Saint-Paul.

Orchestre de l'Ile de France conducted by Hubert Soudant: Beethoven, Mozart, Patrick Gallois, flute, Frédérique Cambreling, harp. (Wed 8.30pm). Saint-Merri Church, 78 Rue Saint-Martin.

Claude Ballif, Trio Ozi, Alexandre Ouzounoff, Bassoon, Arditti String Quartet: Bartok, M. Constant, C. Ballif (Thur 8.30pm–11pm) Town Hall of the 5th Arrondissement, as above.

(All the above concerts are part of the Paris Festival Estival (540 1483 Tue to Sat 10am till 7pm, or 225 2255 Mon to Sat 11am till 7pm for information and bookings).

Ars Antiqua of Paris: Troubadour and Elizabethan music and Spanish cancionero (Mon, Wed 8.45pm and 9pm) Sainte Chapelle, upper part, with its glorious medieval windows (340 5517). Tickets also on arrival.

VIENNA

Budapest Philharmonic Orchestra conducted by Andras Koros performs Liszt, Kodaly and Brahms. City Hall Arcade Courtyard (Tue). (42 800/2085).

Vienna Bach Ensemble: Albinoni, Bach and Handel. Schloss Schönbrunn. (Wed). (42 800/2085).

The Musicians' Orchestra conducted by Carlos Piantini with Ilan Rogoff, piano. Bernstein, Beethoven, Ravel and Tchaikovsky (Thur) Konzerthaus (72 12 11).

SALZBURG FESTIVAL

The Academy of St Martin-in-the-Fields conducted by Neville Marriner, soloist Barry Tuckwell: Richard Strauss and Beethoven (Mon) Large Festival Hall. (0662-42541).

BRUGES

Tallis Scholars and London Baroque: English Cathedral Music. Onze-Lieve Vroukerk, Bruges (Mon).

LONDON

BBC Symphony Orchestra conducted by Gunther Herbig with Wolfgang Manz, piano. Brahms and Tchaikovsky. Royal Albert Hall (Mon). (589 9465).

BBC Concert Orchestra conducted by Christopher Seaman with Ian Hobson, piano. Ireland, Delius, Shostakovich, Bridge and Glazunov. (Royal Albert Hall). (Tue).

Royal Philharmonic Orchestra conducted by James Loughran with Nigel Kennedy, violin. Brahms, Dvorak and Johann Strauss II. Royal Albert Hall (Wed).

Schütz Choir of London and London Classical Players conducted by Roger Norrington with soloists. Mozart, Beethoven and Haydn. Royal Albert Hall (Thur).

FINANCIAL TIMES
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Monday August 6 1984

Talking again with Poland

PRESIDENT Reagan's half-lifting of U.S. sanctions on Poland—to allow resumption of landing rights in the U.S. for Polish airlines, of bilateral scientific exchanges and of negotiations for Poland to enter the International Monetary Fund—*is not the most dramatic response* to General Jaruzelski's political prisoner amnesty.

But it is to be strongly welcomed, because it will help restart a dialogue between Poland and the West who have barely been on speaking terms for the past two-and-a-half years. West European governments, some of which have been pressing for months for an end to the western ostracism of Warsaw, are likely to take the U.S. move as a signal for Nato to drop its self-imposed ban on ministerial visits to Poland.

Such visits could have the important side-effect of not leaving President Honecker of East Germany so exposed, in his current row with Moscow over inter-German relations, as virtually the only East European pursuing an active diplomatic approach towards the West.

The immediate response in Warsaw to President Reagan's failure, so to speak, to award it full marks for its amnesty gesture has been grudging. "Poland is not a pupil in a Sunday school with Ronald Reagan its teacher authorised to give grades," complained the Polish government spokesman. The sour reaction was inevitable, because of Warsaw's unwarrantedly high expectations. The Jaruzelski government seems to have expected Washington to resume trade credits—which no Western governments are likely to give because of Poland's virtual bankruptcy—and most favoured nation (MFN) tariff treatment for Polish exports.

Caveats

Mr Reagan obviously has his political constraints during an election campaign. His partial relaxation of sanctions will confer little or no immediate benefit on the Polish economy (indeed it could be negative if Polish flights to the U.S. were operating at a loss). Clearly, however, entry into the IMF—which the U.S. has been blocking—could be of great potential help to Poland.

But there are two caveats. The first is that the U.S. has said it will not give the green light to Poland's IMF negotiations until the 11 most important Solidarity and KOR movement leaders are actually out of jail. The first of the 11, Mr Adam Michnik, was freed over the weekend, and the rest are due out before the end of this month. The second precondition, agreed by all Poland's western government creditors, *is that Warsaw must* first make its best efforts to repay some of its accumulated debts to all official creditors. So far, Warsaw has brought official debt rescheduling talks to a grinding halt by its refusal to pay the U.S. anything. There is no basis for this discrimination against the U.S., particularly in the light of Mr Reagan's latest move.

Some officials in Warsaw have hinted that Poland may, in fact, be backing away from its IMF application of November 1981. Poland, of course, has a perfect right to withdraw its IMF bid. It could perhaps argue that in the past couple of years its relations with the West have grown so bad and that its economy has been so forcibly re-oriented towards Comecon as to make IMF membership less interesting.

But what should not pass unchallenged is the comment from one Warsaw official, quoting President Ceausescu of *Romania (an IMF member)*, that the IMF discriminates against its socialist member countries. In fact, the Fund has stressed that its members can adopt any economic system they want. In a recent policy paper, it emphasised that it laid down uniform goals (balance of payments improvement and so on), but not uniform means to achieve these goals. It is true that the Fund has some trouble with things like artificial and multiple exchange or foreign exchange retention quotas, since they distort free trade and comparative advantage.

There are phenomena prevalent in, but by no means confined to, Eastern Europe. The fact is that badly run economies everywhere will have trouble negotiating loan terms with the IMF.

If Poland does decide to press ahead with IMF entry—now that the main roadblock of U.S. political opposition is being removed—it will be in the long-term interest of Poland and the West. It would give Poland a freedom of economic manoeuvre and a potential source of finance that it would otherwise not have, while for Poland's western creditors, any IMF supervision would enhance the prospects of them getting their money back.

IBM and its competitors

THE SETTLEMENT of the long-running EEC competition case against International Business Machines last week is unlikely to change dramatically the shape of the international computer industry. But it goes some way to meeting anxieties among smaller rivals that the terms of industry competition appear increasingly to be operating in IBM's favour.

Without requiring any far-reaching upheaval in IBM's business practices, the settlement at least removes an element of unpredictability from its tactics. IBM has committed itself for the first time to a schedule for publishing valuable product "interface" information which it previously disclosed largely as and when it saw fit.

For IBM to acknowledge even an obligation as modest as this is unusual. It has always insisted on exercising the maximum autonomy over its own affairs consistent with the law and commercial propriety but it appears to have concluded that its European business would suffer more from the political fall-out of a prolonged confrontation with the EEC than from a compromise in Brussels.

Pre-eminence

Beyond the specifics of the settlement, however, looms a larger question. Though the EEC's charge that IBM is a dominant supplier remains unproven, few other companies have ever enjoyed comparable worldwide pre-eminence in any industry as economically and strategically important as information processing is today. IBM is able, to a far greater extent than any other company, to influence the terms of competition, in markets ranging from big "mainframe" processors to desktop personal computers. For many of the world's largest computer users, IBM is quite simply the *de facto* standard.

It does not appear healthy that the undisputed leader in a major industry, however ethical its business practices, should be able to set so many of the rules by which its competitors are obliged to play. But it is also hard to see how this situation can be changed greatly in the near term. In Europe, the IBM challenge has undoubtedly helped to spur new forms of technological collaboration, such as Esprit, the EEC's joint research programme, and the search for "open" standards in computer communication. But the EEC is still far from agreeing on anything resembling a common high-technology policy.

Meanwhile, Italy's Olivetti and the Dutch Philips group have allied themselves with American Telephone and Telegraph, which may prove IBM's strongest future competitor on world markets. British Telecom, on the other hand, is aligning itself closely with IBM, while ICL's commercial prospects depend heavily on its links with Japan's Fujitsu.

Many EEC governments view IBM with decided ambivalence. While valuing the investments and jobs which it brings to Europe, they fear its impact on *indigenous competitors*. Recent tensions over U.S. curbs on high-technology trade have also demonstrated that, much as IBM may advertise its "Europeanness," it is ultimately subject to American control.

It would be a retrograde, and probably self-defeating, step for European governments to try to keep IBM at bay by reverting to crude discriminatory measures. The failure of past efforts to breed "national champions" behind protective barriers has shown that locking out international competition is no way to encourage the development of world-class high-technology industries.

But IBM, for its part, must also recognise the sensitive political realities in Europe. In particular, it cannot expect Europeans to accept as readily as Americans the argument that dramatically aggressive commercial tactics are justified by the need to meet the challenge from Japan. Most of its European competitors already regard IBM as a far more serious threat than the Japanese.

Governments for their part must do everything in their power to preserve competition and to ensure that barriers to new entrants are kept as low as possible.

EAST-WEST GERMAN RELATIONS

The flirtation worries Moscow

By Rupert Cornwell in Bonn and Leslie Colitt in West Berlin

The Berlin Wall—symbol of the divide still separating Chancellor Kohl (left) and Herr Honecker (right)

A GHOST has slipped forth from a long locked diplomatic cellar. Flitting on the edge of the European stage once more is the German Question, the quandry of the identity and boundaries of the German nation, after the miseries it has caused this century.

For confirmation, one need look nof urther than the reverberations set loose by the present warming of relations between Bonn and East Berlin. Their new agreement, a DM 950m bank credit gauaranteed by the West German Government, against some distinctly modest humanitarian concessions from its eastern neighbour, seems hardly the stuff to change history.

Yet the reactions it has already drawn — above all from the fastnesses of Russia — have been reminder enough of an obvious but awkward truth: that the post-war order of Europe and the balance there between East and West, are crystallised around the unnatural division of the German people.

Just what store the Soviet Union sets by the status quo can be measured by the ferocity of Pravda's criticism of closer economic and political ties between the two Germanies. Brandishing the dread concept *of reunification, the party daily* has ostensibly aimed its strictures at West Germany, accusing Bonn of meddling in the affairs of a sovereign state.

But the true target, of course, has not been so much the capitalists in Bonn, but the hitherto client Communist leadership in East Berlin. And the warning to Herr Erich Honecker, the East German leader, about threats to "undermine the Socialist order in the German Democratic Republic" is one of the most serious in the Soviet arsenal.

Phrases akin to it rumbled forth in the months before the suppression of the 1968 Prague Spring, and more recently during the campaign to destroy the Solidarity trade union in Poland. Both were perceived threats to the stability of Russia's empire in Eastern Europe.

And it should not be forgotten that the West too has been quietly satisfied at the post-war answer to the German Question. It was after all an eminent Frenchman in the 1950s who remarked: "J'aime tellement l'Allemagne, je suis heureux qu'il y en a deux." ("I'm so fond of Germany I'm delighted there are two.")

No wonder, then, that everyone is watching the renewed German-German courtship so intently.

From the Russian viewpoint, it is a case of a once tolerated flirtation which has got out of hand. Control of East Germany has always been the key to Moscow's ability to manipulate the mood of West Germany, in the pursuit of its long-term goal of luring Bonn free from Nato.

From early 1983 on, on the instructions of Yuri Andropov the late Soviet leader, and with the full agreement of Herr Honecker, the siren song was duly sent forth. The bait of better relations with the East would be used to increase opposition within West Germany to the planned deployment of new Nato nuclear missiles.

Despite that, the missiles were approved by the Bonn Parliament in November 1983. But by then East/West German *affairs had acquired a momentum* of their own which a policy vacuum in Moscow, as Mr Andropov slipped towards death, did nothing to impede.

A first loan of DM 1bn had been agreed in the summer of *1983: even the Soviet walkout* from the Geneva arms talks, in retaliation for deployment, scarcely interrupted the great thaw. Indeed both heart and head argued for its continuance.

East Berlin needed Western hard currency to help reduce its debt and press on with economic overhaul; the centre right coalition in Bonn under Chancellor Helmut Kohl could point to its inner German policy as an indisputable success at which few could cavil. Trade between the two Germanies jumped 8 per cent in 1983, far faster than West German trade as a whole.

The permission for an unprecedented 27,000 East Germans to emigrate to the West in the first six months of 1984 also served the interests of both sides.

The deal enabled Herr Honecker to relieve internal political pressures (at the risk, admittedly of encouraging new ones), and at the same time rid himself of troublesome opponents of the regime. The East Germans also received payment from Bonn for the emigres. For West Germany, the deal was proof that the ugliest and most fortified border in Europe was not without chinks.

Then on July 25 came the announcement of a second credit, this time for DM 950m, from Bonn in return for a clutch of measures by East Germany to make human con*tacts just a little easier between* inhabitants of the divided halves of the nation. All will be crowned by the "working visit" in West Germany by Herr Honecker this September, the first such by an East German leader: unless of course the Russians say no.

In Bonn's view, of course, there is absolutely no reason why it should. Whatever their innermost learnings, officials here accept realistically that reunification is a dead issue—at least until the two blocs are dissolved.

True Chancellor Kohl is fond *of saying that partition "is not* the final word of history." But until such time as history permits, the emphasis remains on "doing what is feasible," to make divisio nmore tolerable in human terms. East and West Germany, in the words of spokesmen for both, have a *Verantwortungsgemeinschaft*, a "community of responsibility," to see that no war ever again starts on German soil.

That is a sentiment with which even the Soviet propaganda machine would heartily concur. But Moscow sees the problem in different terms, indeed almost as a mirror of the problem of West Germany in the eyes of the Atlantic Alliance. The West fears that *Bonn might yield to ancestral* tugs from the East and slip away into a neutralist yonder: Moscow is frightened the same fate could overtake East Germany, but from the opposite direction.

Not that that is a serious proposition, with 360,000 Soviet troops stationed on East German territory, and East Berlin wholly dependent on Moscow for energy and raw materials. But the country is, if possible, strategically even more vital for the Warsaw Pact than is West Germany for Nato.

East Germany, above all, represents the western prong of the pincer which holds recalcitrant Poland to heel

East Germany is not just the front line, looking westward. It boasts the East bloc's most successful and advanced economy, and its armed forces are the cream of Moscow's allies. Above all it represents the western prong of the pincer which holds volatile, recalcitrant Poland to heel.

Given all this, the Kremlin—and, as most suspect, Mr Andrei Gromyko the ascendant Foreign Minister in particular—have done their sums and calculate that the stick is a more sensible bet currently than the carrot. There would be several factors contributing to the change, which hotted up a month ago with the astonishing abuse piled upon a supposedly "revanchist" West Germany after the West European Union (WEU) had lifted remaining theorectical curbs on conventional weapons production by Bonn.

One was a wish to "punish" the West Germans for their resolution on the missile question: another, perhaps, to maintain a consistent sulk while the Olympic boycott was making headlines. How strange it might have looked for Moscow to be pouring fire and brimstone upon Western sport, while accepting this Western courtship by a fellow boycotter of the Games.

Entangled with these considerations, almost certainly, was the instinctive Russian fear, for historical reasons, of anything which might portend a reunited Germany. The spectre, moreover, is a useful one to conjure up when "Fortress Russia" is the order of the day, and preparations are under way for huge celebrations to mark the 40th anniversary of the defeat of Hitler next spring.

The trouble is, things are more complicated than that. Within Eastern Europe, Hungary has come out in favour of Herr Honecker's *Westpolitik*—in some ways an unusual entente, in the light of the criticism East Berlin used to level at Budapest for its espousal of market orientated economic reforms.

More tantalisingly, however, there are signs that the Russians themselves might be split on their German policy. Pravda on August 2 accused Bonn of employing economic ties as a means of meddling in East German affairs. Be that as it may, the Government paper Isvestia, just 24 hours earlier, had gone out of its way to emphasise the importance of East-West trade, and implied that the DM 950m credit was a *quite unexceptionable event.*

Such divisions would do much to explain why East Germany has found the courage to stand up to the Russians — so far at least. In permitting his party paper *Neues Deutschland* to defend his dealings with Bonn, Herr Honecker must feel he is not without friends in the East.

Outwardly, too, Bonn is reacting with studied calm to the latest turbulence. Its refusal to be rattled reflects the general domestic support for the Government's policy towards East Germany—except from those who feel that too much has been given, and not enough extracted in return. But to that it might be retorted that even the modest steps so far have drawn fierce Soviet pressure down on East Berlin.

So *will* Herr Honecker travel West this September, to sample his favourite wine from his native Saarland, and confer with the Chancellor in Bad Kreuznach, the Rhineland Palatinate spa? At the moment, and in spite of the fact that such a trip would come just ten days before ceremonies at home to mark the 35th anniversary of the German Democratic Republic, the West Germans insist he will.

Some observers speculate that he may try (or rather be forced to try) to squeeze new concessions of his own out of West Germany. Indeed Pravda on July 27 reminded Herr Honecker of the demands he raised in 1980 as a precondition for normal relations with Bonn — acknowledgement of East German citizenship, conclusions of negotiations on the River Elbe border, and the upgrading of the present "permanent missions" in each other's capital into normal embassies.

But on these points it is inconceivable that Bonn would budge. In particular it insists that all East Germans have an *automatic* right to "German" (i.e. West German) citizenship once they are outside East Germany, and refuses to change the status of the missions. Herr Honecker, for West Germany, is not the leader of a foreign country.

Quite clearly, any one of these disputes could be employed as a pretext to have the trip called off, on "diplomatic" grounds. Indeed, slow progress in picking a path through this protocol jungle is surely one reason why, despite the torrent of speculation which has flooded through the West German Press in recent weeks, official details of Herr Honecker's schedule have not yet been announced.

But if, as many fear, the visit *does not take place,* that will ultimately be the consequence less of inner-German haggling than crude Soviet coercion. And — as the history of its dealings with its East European satrapies shows — Moscow has *never hesitated* to employ such means, when it feels its vital interests are imperilled.

Men and Matters

Crocker sets the stage

Tito, Marlon, Jackie, Randy, Jermain and their white s equin-gloved brother Michael, took New York's Madison Square Garden by storm over the weekend, which should be good news for the harassed executives of Britain's Midland Bank.

For, in case they have forgotten, it is Midland's loss-making U.S. subsidiary, Crocker National Bank, that is financing the Jacksons' rock extravaganza.

Crocker is involved because one of its long-time customers, Chuck Sullivan, whose family owns the Boston Patriots football team, won the right to promote the Jacksons' 15-city tour in return for promising the boys at least $41m.

A lawyer, better known in the U.S. football world than in showbiz, Sullivan has borrowed $12.5m from Crocker to invest in the project. The Jacksons, who have not played together since 1976—hence the fans' excitement—are getting 75 per cent of the ticket sales and Sullivan is getting the balance.

Lest anyone should believe this is the key to a fortune, Sullivan says he does not expect to make for than $5m on his investment—though that estimate may be on the modest side.

He has to pay for the rental of stadiums, which can cost $100,000 a performance, as well as security, electrical systems and two 175-ton stages. But he stands to make a healthy margin on all the assorted Jackson memorabilia from gloves to T-shirts.

The glossy, 14-page programme (cost $10) boasts that *the magic of the six young men* is "so riveting that Queen Elizabeth summoned them for three Royal Command performances." And their fans appear to agree.

So far the tour has sold out in Kansas City, Jacksonville, Dallas and New Jersey's Meadowlands, and reports are that it expects a sell out for the rest of the concerts.

This, at least, seems to be one loan on which Crocker is going to get its money back.

"Bad my busiest weekend for years—Government ministers asking about the cabinet re-shuffle."

Tyre pressure

A cautionary tale, this, for marketing men. Neil Copson, marketing director of London Scottish Finance Corporation, suggested to his board that the company should sponsor one of the races in the International Festival of Cycling which begins in Harrogate next weekend.

Since London Scottish offers credit facilities to over 600 cycle traders throughout the UK, it seemed a good idea. And the board agreed—on condition that Copson added to the company's involvement by taking part in the race himself.

"Having put up the idea, I could hardly change my mind," says Copson, aged 39, who had not ridden a bike for 25 years.

He is now training hard on a 10-speed racing cycle—"terrifying downhill and terribly hard work uphill"—to get fit enough to take on the likes of Tony Doyle, ex-world pursuit champion, Beryl Burton, ex world record holder, and Malcolm Elliott, last year's Milk Race winner, in the 104-mile road race across the Yorkshire Dales.

"I'm going to think twice before I come up with any more says. And so, I imagine, might a few other marketing men if they had to take part in some of the events they sponsored."

Top of the poll

Margaret Thatcher is the most important woman of the 20th century, according to a Japanese poll, which ranks the British Prime Minister ahead of Marie Curie, Marilyn Monroe, Indira Gandhi, Mother Theresa of Calcutta, Helen Keller and, not least, the Queen.

The poll, conducted by the highly-regarded magazine Bungei Shunju, rates another British Prime Minister, Winston Churchill, as the century's most important figure, good or bad.

Trailing Churchill are Lenin, Hitler, Mao Zhedong, Mahatma Gandhi, Stalin, Kennedy, and Douglas MacArthur, who commanded the U.S. postwar occupation of Japan.

Ronald Reagan, in 11th place, was the highest-ranked living personality.

Bungei Shunju based its poll on responses from 500 regular readers, and a group of 371 professional writers. Respondents voted Shigeru Yoshida, first postwar Premier, as the most important 20th century Japanese personality.

Yasuhiro Nakasone, current Prime Minister, was ranked ninth, three places behind Kakuei Tanaka, disgraced former Premier who is now appealing a conviction on corruption charges.

The 20th century invention which has had the "greatest influence on our lives" is, according to the poll, the television, *followed by computers,* nuclear energy, integrated circuits and, in equal fifth place, nuclear weapons, airplanes, and the automobile.

Karl Marx's Das Kapital is voted the book with the *greatest influence on the* world, followed by the Bible, Einstein's Theory of Relativity, and Keynes's economic writings.

Body politic

A Government Minister visited a local factory the other day. After the tour, the managing director suggested he might like to see some examples of the finished product and ushered him into a small room with a screen at one end.

A few moments later, the products popped out from behind the screen—much to his confusion. The Minister was expecting to see ladies' underwear but not a shapely young woman inside it.

The model did a few twirls around him while the Minister—a married man—nervously tried to question the managing director about international trade in ... er ... in ... er.

Desperately trying to spare his blushes by not mentioning the usual word for unmentionables, the Minister found relief at last in the Multi-Fibre Arrangement. "Do we import these category thirteens into the UK?" he asked casually. "I'd be most interested to know which countries are the main category thirteen producers."

All part of a hard-working Minister's day? Knickers.

Ups and downs

"What's going to happen to the dollar?" I asked, making light conversation with a foreign exchange dealer from Citibank.

"I dunno," he replied. "If their initial is covered by A-M, I tell them it's over-valued and must come down soon. If they are covered by N-Z, I tell them it's likely to remain strong. That way, I hope to keep half of them happy."

Observer

STOCKBROKERS AND THE CITY REVOLUTION

The London marriage market

By Barry Riley, Financial Editor

THE WAVE of investment by outsiders in London stockbroking firms has recently been reaching something of a climax. At the latest count, 12 of the top 20 broking firms had forged links with institutions outside the Stock Exchange, and, in a majority of these cases, a complete takeover of the stockbroking business is envisaged in due course.

Most of the connections have been established with various British and A merican banks and securities houses, although Rowe and Pitman and Quilter Goodison have looked respectively to a British industrial group and a Swedish insurance company for injection of new capital.

Several of the unattached firms are actively negotiating with the still considerable number of potential buyers. For the latter, the options are narrowing rapidly—so much so that there is speculation that a second round of deals, involving a rearrangement of existing stakes, may take place before the final shape of the new London securities market emerges.

The senior partner of one of the unattached top 20 firms reports that two or three potential partners are likely to make contact after each newspaper story of a new deal involving other stockbrokers. And Hoare Govett has been the subject of a number of unsolicited approaches even though it has been firmly linked with Security Pacific—with a 29.9 per cent stake—for two years.

Last month, Hoare Govett announced that it has negotiated a further deal with Security Pacific which, when finalised, will bring it firmly under the ownership of the Californian banking group. The terms put a value of £78m on Hoare Govett, making it probably the most valuable Lonodn stockbroking concern.

The firms which struck their deals early on were those which, by and large, calculated that it was better to pick the right partner than hold out for the best price. Those which are left will now be in a position to sell their independence dearly—though there is an element of a gamble in this. Trading conditions have worsened considerably in recent months, and hard times have also affected some of the potential buyers—especially the Americans like Merrill Lynch.

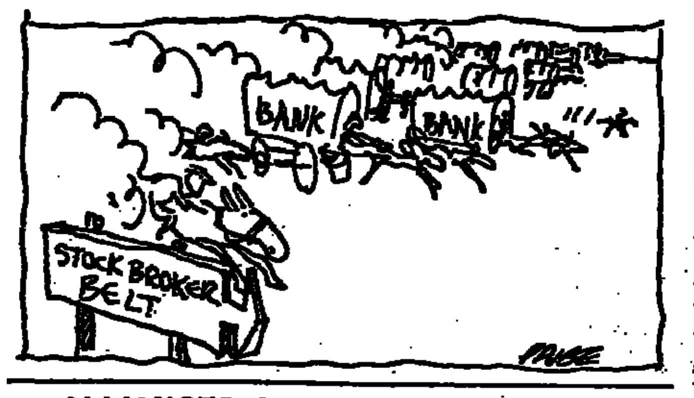
Remaining independents include two of the top research-based firms, James Capel and Scrimgeour Kemp-Gee. (The former is rumoured to be in talks with Hongkong and Shanghai Bank while the latter is said to be in talks with a range of partners.) The others generally face structural complications. Phillips and Drew, for instance, has a big fund management side—handling over £3bn of assets—which may need to be split away under new Stock Exchange rules. It is also big in gilt-edged, an especially uncertain area in the light of Bank of England proposals to set up a U.S.-style telephone market composed of primary dealers who would need substantial capital.

Significantly, two other remaining independents—Mullens and Pember, and Boyle—have a much bigger share of gilt-edged business than of equity trading. Mullens faces a particular problem since it will lose its franchise as Government broker when the new gilt-edged market starts in late 1985 or early 1986. This will mean a loss of prestige, although Mullens will retain its valuable institutional contact list.

All these gilt-edged firms will need outside capital if they are tot apply for a place on the Bank of England's list of approved gilt-edged market-makers. But it is hard for them or prospective partners to come tot rational decisions ahead of the Bank's publication of the rules of the new market some time in the autumn.

Elsewhere, in equities, Cazenove is a broker which relies very much on its connections with companies. This poses problems when the whole structure of the new issue market may well change in the next few years, restricting or eliminating the role of the independent corporate broker, which at present deals with a whole range of different merchant banks.

Simon and Coates seems to be adopting a wait-and-see approach. Its generally young partners wish to step in the stockbroking business on terms which give them some kind of control over their future. In contrast, one or two other firms have sold out in ways which appear to reflect the financial interests of older partners, and have led to hints of internal dissent.



ALLIANCES OF LEADING BROKERS

Stockbrokers	Investor/owner
James Capel	—
Capel-Cure Myers	Grindlays Bank
Cazenove	—
Fielding Newson-Smith	National Westminster Bank
W. Greenwell	Samuel Montagu
Grieveson Grant	Kleinwort Benson
Hoare Govett	Security Pacific
Laing & Cruickshank	Mercantile House
L. Messel	Shearson Lehman-American Express
Mullens	—
Pember & Boyle	—
Phillips & Drew	—
Quilter Goodison	Skandia
Rowe & Pitman	Charter Consolidated
Scrimgeour Kemp-Gee	—
Simon & Coates	—
Vickers da Costa	Citicorp
Williams de Broe Hill Chaplin	—
Wood Mackenzie	Hill Samuel
De Zoete & Bevan	Barclays Bank

The partnership structure has generated very high incomes—more than £100,000 a year for middle-ranking partners in successful firms, at least during the past couple of profitable years—on a low capital base.

For the senior partner clearing a million ortwo, the loss of independence has adequate compensations. But younger partners may get little—and may be told that they are to merge with the corresponding department of a bank, or fit in with the business plan of an aggressively run securities group.

Some partnerships may therefore decide to stay independent, though like Rowe & Pitman and Quilter Goodison they would probably need to seek a measure of outside capital. Both Lazard Bros, the merchant bank, and 3i, the development capital group, have indicated their willingness to make such funds available, though no such investments have yet been announced.

In the meantime a number of potential buyers of broking firms remain unsatisfied. Big London merchant banks like Warburg, Morgan Grenfell and Schroders have not come into the picture so far (though the first two have bought stakes in jobbing firms) and the Americans could obviously arrive in greater numbers (brokers report that Citicorp is in the market for a London firm to complement Vickers da Costa, bought primarily for its Far Eastern operations). The Japanese securities houses and the Continental European banks have kept low profiles but may not always do so.

Some major contenders have, however, shown themselves unwilling to pay current prices—reported to run to something like 15 times earnings and 2½ per cent of funds under management. Having talked at one time with stockbrokers of the calibre of James Capel and Wood Mackenzie, Exco will not be wholly content with its modest purchase of Galloway and Pearson, one of the middle-ranking London firms (its plan to set up its own new London broking firm was blocked by the Stock Exchange). It will want more powerful representation in due course.

And Lloyds Bank stands out as the only clearing bank not to get involved in London stock market deals so far — it is looking for opportunities which do not involve huge capital spending on the scale of that involved in Barclay's twin purchases of jobbers Wedd Durlacher and brokers De Zoete and Bevan.

There is not much doubt that there will be a shakeout in the London stock market in the next two or three years. But it is not so clear that it will be drastic enough to satisfy ambitions of the cheap buyers.

The shakeout could come at two levels. At the corporate level, brokerage firms could start to change hands because their parents lose enthusiasm, or themselves run into ownership changes or financial problems.

The attempts to prise Hoare Govett away from Security Pacific are an early indicator of this trend (and the door here is not yet quite closed to a determined bidder). Moreover, there has recently been speculation about a bid for Charter Consolidated, partner of Rowe & Pitman, and about the future of Samuel Montagu (linked to Greenwell) within the troubled Midland Bank group.

Undoubtedly, the nerves of some of the investors in broking firms will be tested during the coming restructuring of the London market, especially if the changeover to the new trading system coincides with a bear market.

Particular problems could be seen in gilt-edged, where there could easily be more than 30 applicants for inclusion on the list of market-makers. But it is hard to see that a decent living could be made by more than 10 to 15. There could be a costly war of attrition unless the Bank of England is very choosy in admitting market-makers to the new system.

But the shakeout will also be seen at the personal level, where individual brokers — and perhaps more significantly, departmental teams — will become frustrated when their firms move under new, more bureaucratic and remote ownership.

New systems to provide incentives and rewards will have to be developed in London. No doubt many of them will be borrowed from New York models. But it will be difficult to make them work as well as the partnership structure, which is at present used by nearly all the big London firms.

Many of them are now planning to turn themselves into companies next spring (most brokers have financial years ending in April or May) and even those which want to stay independent will probably have to abandon the partnership structure becaue of the need to attract capital from outside.

The banks and financial groups buying the broking businesses seem to be adopting two approaches to the problem of creating adequate incentives.

Barclays and Security Pacific plan to leave minority holdings aggregating between 10 and 20 per cent in the hands of the key executives, to give an element of participation and scope for executive share schemes.

But most of the other buyers will take full 100 per cent ownership when the stock rules are relaxed. (At present they are limited to a stake of less than 30 per cent but complicated option contracts have been arranged to get round this temporary problem.) The new style firms will have to devise other systems of remuneration, presumably including some kind of profit-sharing.

The central question is whether the new owners can bring enough benefits to the securities business—in terms of capital, a client list, technological expertise and international connections—to offset the inevitable personal tensions.

The answer will probably turn out to be sometimes yes and sometimes no. In any event it will not become clear for several years to come. But in the meantime, most of the big London broking firms are deciding that it is time to do a deal—which is, after all, what stock broking is all about.

Lombard

Nonsense on deflation

By Samuel Brittan

THE FADS and fancies of so-called "supply side" U.S. economic pundits continue to add to our stock of innocent amusement.

Their latest notion, based on the weakness of commodity prices, is that the world is on the brink of deflation. They are at least using the word in its correct sense to mean falling prices, and not in its vulgar meaning as a synonym for recession. Even so the proposition does not bear much scrutiny.

If the supply-siders had stuck to using commodity price behaviour as an indication that, contrary to most predictions, the U.S. boom has not yet against orthodox economists, have scored an effective point again orthodox economists. But by going over the top, they are simply asking for rebuttal.

Theer is no reason to doubt their sincerity. Their world view is so centred on gold that a weak gold price (down by nearly 20 per cent over a year ago) spells for them deflation almost by definition.

Their motive, however, is very clearly to undermine the Fed's very moderate counter-inflationary stance and induce the U.S. central bank to inject more money in the hope of lowering interest rates. Such a strategy—not that it could be sold to Paul Volcker—risks undermining the delicate balance between very loose fiscal and tighter monetary policy on which the Reagan boom depends.

The size of the commodity fall is much exaggerated by the use of a dollar index, which shows a drop of 10 to 15 per cent so far in 1984. Even an SDR index does not fully correct, because the dollar has a disproportionately high weight—42 per cent—in the SDR currency basket. The true movement of commodity prices this year is nearer that shown by the Economist sterling index, which shows only a slight downward trend.

Even this may be an exaggeration. For that index, like almost every other, is not seasonally corrected. About the only one that is corrected, that of the Bureau of Labor Statistics, which is also the most broadly based, shows an upward trend in 1984 for industrial materials, even in dollar terms.

But the most fundamental point is that the products quoted on commodity markets make up only a small part of any advanced country's income and expenditure. In the U.S food products, industrial materials and energy account for less than 10 per cent of final demand. The broader U.S. index of wholesale prices of finished products is up over 2 per cent on a year ago. The consumer price index and the GDP deflator are both up by 4 per cent—the latter being the best overall inflation indicator.

Because commodity prices are more volatile than those of industrial goods or services, there will be periods when they are falling even when the general price level is rising. In the creeping inflation experienced in the West before the traumatic shocks of the Vietnam war and the oil price explosions, periods of falling commodity prices were usually a sign that the general rate of inflation was slowing down and, sometimes, of weakening economic activity. They were not harbingers of general deflation.

But even as cyclical indicators, commodity prices need looking at in some perspective. People forget that the weaknesses of the last year have followed a sharp rise in most of 1982-83. Past economic recoveries have often included phases of falling commodity prices within a general upturn; and the recent one is no exception.

Nevertheless, if one takes the first 19 months of the present U.S. economic upturn, dollar industrial raw material prices, measured by the Commodity Research Bureau Index, rose by a cumulative 24 per cent, which is much higher than the 10 per cent average advance recorded in the upturns of previous cycles.

If deflation were widely believed to be in the pipeline, U.S. Government securities with a nominal yield of 12 to 13 per cent would be a bargain purchase. Indeed, if this were the market's opinion the nominal yield would not stay long in double digits. The exponents of deflation are arguing with the market and rather unlikely to win.

Letters to the Editor

At home in Strasbourg

From the Chairman, European Democratic Group, European Parliament.

Sir,—Socialists in the European Parliament will answer for themselves, but from the Conservative side I should like to offer the following observations on Quentin Peel's article of August 2.

There are 50 not 48 Members in the present European Democratic Group. Mr Peel has overlooked one Ulster Unionist and one of our four Danish members.

The allocation of committee chairmanships in the European Parliament proceeds in accordance with a mathematical formula of mind-numbing complexity which reflect numbers of seats held by individual groups. The EDG did no worse or better in this procedure than it might have expected given its nnmber of seats. I do not, therefore, know what Mr Peel means when he says my group attempted to "throw its weight around," or that it "came off badly" as a result.

In so far as British MEPs have brought the practices of the Palace of Westminster to Strasbourg, this has almost invariably been singled out by Continental colleagues for praise rather than criticism. Mr Peel's view that British MEPs do not as a body enjoy the respect of their colleagues is, to put it charitably, idiosyncratic.

Mr Peel's assertion that the EDG "could have joined" either the Christian Democrats or the Gaullists or the Liberals in the new Parliament is misleading, not least because Conservatives fought against Liberal candidates in the recent European elections. Most importantly, I defy Mr Peel to produce any private or public utterance by our Christian Democrat or Gaullist friends suggesting they wanted an influx of British Conservatives into their group. It takes two to tango. All Frenchmen know that in any marriage there is one who loves, *et l'autre qui se laisse aimer.*

Henry Plumb (Sir),
2, Queen Anne's Gate, SW1.

One cause of unemployment

From Mr A. Elliot

Sir,—I feel Mr Christopher (July 26) is guilty of the same fault he is accusing Samuel Brittan of, namely complicating matters.

Speaking after almost 70 years of running businesses I believe we are finished as a great nation unless the trade unions are changed and modernised. Not only the unions, many of the employer groups are as guilty of restrictions and old-fashioned ideas.

What our unions, as distinct from American, apparently do not grasp is that by their increasingly antiquated and dictatorial ways over the past 25 to 35 years the majority of self-respecting and outstanding men have avoided entering the industrial world. My fellow countryman Mr MacGregor was, of course, the exception and how the Government had to pay out to get him. No one else wanted the job.

The result is that what large businesses have been even moderately successful have largely been chaired by men whom I would describe as bullying upstarts with whom I would not fish. Their success is because they are even nastier and tougher than some trade union leaders. Is this what union members want?

Of course, there are exceptions but, speaking broadly, Britain's finest brains have headed for the service industries, professions, entertainment industries, hotel management, etc. because they could not bring themselves down to the level of the brutality required to handle some of the union leaders.

Thus, one of the great causes of Britain's failure is that we are short of top brain-power in those large mainly union-controlled industries.

I hope this will give some of our union leaders cause to think about future policy even if only in self-interest. This country still has an enormous reservoir of wonderful people.

Andrew G. Elliot.
Burlington Lodge,
Bears' Den
Kingswood, Surrey.

A closer look at pay and jobs

From the General Secretary, Association of Professional, Executive, Clerical and Computer Staff

Sir,—Well said Samuel Brittan in your article of July 26. I wonder, however, if you will explain to the Cabinet that real product wage reflects the overvaluation of sterling under the Government and that the percentage increase of nearly 15 per cent to which you refer is slightly less tthan the overvaluation of sterling in the period concerned.

As long as the Government continues to have a policy of over-valued sterling, manufacturing jobs are going to disappear at a greater rate in this country, than any other of our competitors. There is no capability of capital investment, new technology or reductions in the price of materials, offsetting this chain and ball that the Government deliberately ties round the legs of our industry.

Far from being praised for his Mais lecture, the Chancellor should be told very clearly that it is the policies of his department that are primarily responsible for the disasters in our economy.

Roy A. Grantham.
22, Worple Road, SW19.

Married man's tax allowance

From Mr F. Field, MP

Sir,—Michael Meacher's proposal (July 28) for the abolition of the married man's tax allowance (MMTA) to finance a major child benefit increase should be resisted.

A campaign has built up over the past few years emphasising how taxpayers with children have lost out compared to childless taxpayers and this trend has continued under the present Government. Any redressing of this balance needs to be done by raising revenue from that tax base which has the largest number of people who are currently not responsible for children. As the following figures show, such a tax base is the income tax system itself, and not the married man's tax allowance; 47 per cent of those claiming the married man's tax allowance have children while only 29 per cent of all income taxpayers are responsible for children.

Any increase in child benefit initially needs to be financed from forgoing any decrease in general taxation and not from scrapping the married man's tax allowance. One is otherwise making a somewhat illusory gain for families by recycling money from the MMTA which already helps all families—although it does of course help other people as well.

There is a totally different argument for reforming the married man's tax allowance. This reform is about reallocating the subsidy given to women through the tax system through their husbands, but this re-allocation should be made quite separate from the need to develop a generous system of child benefits.

The argument is for women to have the choice as to when they receive this benefit; should it be when their family's need is greatest, or spread over 30-40 years or so while their husbands are in work? The two most vulnerable periods for a family are when they have very young children and when there are sick relatives needing long-term care.

I would suggest the placing of a cash ceiling on the married man's tax allowance. Had this been in operation from 1976, and had all the revenue been put into a new allowance for young children under five, then a cash payment of around £30 a week could be made to all families with children under five.

Frank Field.
House of Commons, SW1.

Unsafe in aircraft

From the Marketing Manager, Sekisui (UK)

Sir,—Congratulations on your article on airline hand baggage (July 31). Though Michael Donne deals with it in a light-hearted manner, it must surely be regarded as a serious problem for all airline passengers. It is comforting that someone is at last recognising the problem.

To blame the tourist, with his "Spanish aspidistra," would be to avoid the issue. From my experience the businessman, presumably the regular traveller, carrying a large brief case or suit case plus the fashionable and regulation suit bag is the main culprit. Why do they do it? . . surely this is obivous . . . thefts and delays with stowed luggage plus one-up-manship for the regular traveller in getting straight from the aircraft to the car park, but the airlines allow it to happen. Surely they must grasp this nettle.

Who has been questioned in recent years at the check-in as to what is defined as "hand baggage." We have all had our experiences with dangerous hand baggage—my recent one was fencing off a photographer, carrying two large metal boxes, one in each hand, and a tripod under his arm mowing passengers down in the cabin as he found his seat.

The need for limiting hand baggage is a simple case—safety and comfort, and at present neither of these criteria are fulfilled. The time taken to get to your seat due to people finding places to put their (hand) luggage is increasing. Flying recently from Dublin to London it took 25 minutes to get the passengers on board and seated, and we have the cheek to complain about flight delays.

Do the airlines really wish this—unsafe in an emergency—to continue? I doubt it, but unless a concerted effort is made by all the airlines, it will surely get worse.

Peter J. Rowson.
Ward Royal Parade, Alma Road, Windsor, Berkshire.

FINANCIAL TIMES
INTERNATIONAL CAPITAL MARKETS
Monday August 6 1984

INTERNATIONAL BONDS

European optimism revives as U.S. economy steadies

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

INTERNATIONAL bond markets ended last week in fighting form, with strong price rises in almost every major sector fuelled by an upward surge of the New York bond market.

The gains gathered strength as the week wore on and more signs emerged of a slowdown in the U.S. economy. On Friday alone (when the U.S. announced a pickup to 7.5 *per cent in the July unemployment* rate) Eurodollar bonds gained around 1 point on the day. Some issues put on even more.

Optimism spread over into European markets, which have recently been depressed by the strength of the dollar. D-Mark issues rose by around 1 point on the week and Swiss Franc foreign bonds were about ½ point higher.

For once there was also clear evidence of retail demand for fixed rate bonds, after weeks of hesitancy during which investors were mesmerised by the strength of the dollar and the apparently inexorable rise in interest rates.

Even some issues which were languishing at deep discounts picked up strength. The ill-fated 12½ per cent, three-year issue launched two weeks ago for General Electric of the U.S. by Smith Barney closed on Friday at a discount of only ⅞ points after a post-launch discount of 1⅞ per cent.

But the surprising thing was the relative scarcity of new fixed-rate paper. Only three such issues, totalling $260m, were launched last week as the floating rate note sector scooped up $750m from the market.

One reason for this was that the extent of last week's rally took many market participants by surprise. Even on Friday there was still some caution about the underlying basis for the new trend. Some bankers claimed that the rally in the Euromarket had been exaggerated by the unwinding of short positions by professional dealers. Many had moved into U.S. Treasury bonds in anticipation of rising prices following the recent lifting of withholding tax.

But most bankers are agreed that a further sustained improvement in the U.S. Treasury bond market could prove a tonic for Eurobonds, bringing both investors and new borrowers out of the woodwork. In the short term much will depend on whether the market succumbs to a bout of profit-taking and how Wall Street absorbs this week's $16.75bn Treasury refinancing.

The star performers of last week were, however, floating rate notes. New issue volume in this sector has slowed down during the summer, creating a shortage of paper and pent-up demand. Even last week's heavy new issue programme was not enough to satisfy this demand and prices of seasoned paper rose by around 15 points on Friday alone. Waiting in the wings was said to be another issue – for Atlantic Finance, a U.S. savings and loan company.

One feature of last week's issues was a provision to set interest rates on a weekly basis, allowing banks to fund the paper at a safe profit with one week money. This formula was applied to both the Citicorp and the Manufacturers Hanover paper. On Friday Merrill Lynch took the concept a stage further with its $200m, 15-year issue for Denmark.

Interest on this paper will also be fixed weekly at the higher of the mean of the bid and offered rates for six-month Eurodollar deposits and the one-week offered rate for dollars. This will protect investors against losses if the weekly rate is ever higher than the six-monthly one.

CREDITS

Italy seeks refinancing

BY OUR EUROMARKETS CORRESPONDENT

ITALY climbed aboard the refinancing bandwagon last week and sought better terms on a $600m credit arranged for its electricity utility Enel by Deutsche Bank and Banca Commerciale Italiana in 1979.

Enel has asked lenders to replace the deal with a new 8½ year credit bearing a margin of only ⅜ per cent over Eurodollar rates. Repayments would begin after a grace period of six years and banks are being offered a ⅛ per cent renegotiation fee.

The new terms show how far margins have slipped for Italy as the Eurocredit market has tilted in favour of borrowers this year. The original Enel loan bore a margin of ½ per cent for the first four years, rising to ⅝ per cent for the remaining six.

However, unlike some other countries – notably Sweden and Denmark – Italy has been remarkably reluctant to undertake any systematic refinancing of its foreign debt.

Now, bankers believe, margins have moved so low that some borrowers such as Enel cannot resist the pressure to refinance their debt at lower cost. Even the Italian Government has reversed its decision not to borrow in the name of the Republic of Italy itself, they say.

Some bankers add that Enel has made a curious choice in deciding to refinance this loan. It was difficult to syndicate in the first place and some memories in the banking industry still die hard.

That may have been one reason why the terms on the new deal provoked some adverse comment in the market on Friday, although there is little doubt that a ⅜ per cent margin is no longer unrealistic for top Italian borrowers.

Of more concern at the moment is the possibility that Enel's move might spoil the market by provoking an avalanche of tight-priced new refinancing deals for Italy. But Bank of Italy officials say they are still very anxious to preserve a low borrowing profile and add that Italy will be seeking virtually no net new foreign debt this year.

No decision has yet been taken on when the Republic itself will come to the market, they say, or even in what form it will borrow, although bankers in London are betting on a floating-rate note once the summer holidays are over.

Enel's was not the only deal to shake the Eurocredit market out of its summer torpor last week. Elf UK awarded a mandate to Banque Nationale de Paris, Bank of Scotland and Citicorp to raise £650m to help finance its share of the Alwyn North field in the UK sector of the North Sea.

The package comprises a £400m loan and letter of credit guarantee facility and a £250m standby facility to be used in the case of cost overruns. Like most project financings, it is a limited-recourse deal, which means that lenders depend on cash-flow from the project for their repayments.

It is structured in such a way as to allow lenders who normally shun such financing to come in on the deal. Participating banks will have either to put up the cash themselves or to guarantee funds advanced by their lenders such as, for example, insurance companies. In that case the banks would shoulder the non-recourse risk even if they *had not provided the cash.*

The final maturity of the credit is linked to cash flow from the project, but it is expected to be between eight and 10¾ years.

TOMBSTONE PROTOCOL

Japanese securities houses pay attention to the small print

BY MAGGIE URRY IN LONDON

THE internationalisation of financial markets, generally supposed to be a good thing, brings with it all sorts of cultural clashes. None of these is perhaps as sharp as that between the Japanese – still keen to observe their own intricate ideas on protocol and hierarchy – and the West where greater informality has tended to accompany the change.

For the Japanese banks and securities houses – to whom awards for job-creation from Mrs Thatcher and medals from City property companies are surely due – have largely brought with them their traditional commitments. Their insistence on maintaining these in the face of Western irreverence is often the cause of bewilderment if not bemusement among their hosts.

But recently an event took place which sent ripples all the way to Tokyo, where it was featured on the key page three of the leading Japanese *financial newspaper*, Nihon Kezai.

That it involved the Boot Hill of the financial advertising world – a tombstone, one of those advertisements which "appear as a matter of record only," listing the banks and *securities houses involved in a bond* issue or a loan syndication – added spice to the event.

The tombstone involved was for a recent bond issue by Tokyo Electric Power. The quarter-page slab had to be run twice and the sharp-eyed would have noticed that in the second version Nomura Securities had suddenly shot up the list of co-managers, defying the usual alphabetical gravity of such things.

But in the eyes of the Japanese security house this change was vital. The alphabetical order rule had, unwittingly, placed Nomura below the Industrial Bank of Japan. Although Nomura had not been involved in arranging the swap associated with the deal, it demanded a place above IBJ on the co-managers list because it was a security house and because of the strict (if increas*ingly contested) rules on financial* etiquette of Japan's Ministry of Finance.

The ministry lays down rules about which type of institution should be allowed to underwrite Eurobond issues and accords a spe*cial place for securities houses.* Banks can only join issues from Japanese borrowers if a securities house is involved.

The furore over the Tokyo Electric Power notice harks back to the late 1970s when the various Japanese institutions were jockeying for tombstone positions in the Swiss market. At that time the securities houses, led by Yamaichi Securities, insisted on having the coveted left-hand place on a tombstone when they co-managed deals with the banks, no matter how small their share of the deal.

Needless to say the banks, with IBJ at their head, argued that whoever had the biggest part of the issue (usually IBJ) should occupy the poll position. In the end IBJ won.

But perhaps this sort of wrangling is no sillier than the traumas U.S. houses go through in their attempts to join the elite "special bracket" group, or the rivalry between European issue managers to get to the top of the league tables.

NEW INTERNATIONAL BOND ISSUES

Borrowers	Amount m.	Maturity	Av. life years	Coupon %	Price	Lead Manager	Offer yield %
U.S. DOLLARS							
Finland ††‡	100	1994	10	13¼	99½	Salomon Bros., First Boston, Goldman Sachs, Merrill Lynch	13.342
Toshiba Ceramics §	30	1994	10	3½	100	Nomura Intl, Salomon Bros., Yamaichi Intl	*
NTT ‡	100	1991	7	12¾	99¾	Morgan Guaranty, Dai-Ichi Kangyo, Nomura Intl.	12.806
GRAM Finance ‡	100	1989	35	13⅞	100	Salomon Bros, E. F. Hutton, SBCI	13.375
C. Itoh ‡	60	1989	5	13¾	101¾	Daiwa Europe, Citicorp, Sumitomo Trust, Yasuda Trust Europe	13.249
Paribas †(c)‡	150	–	–	⅜	100	Paribas, CSFB, Merrill Lynch, S. G. Warburg	–
Citicorp O/S Fin †‡	250	1996	12	ɸ	100	CSFB, Citicorp Intl. Bank	–
Manufacturers Hanover †‡	150	1996	12	×	100	CSFB, Deutsche, Man. Hanover, Merrill Lynch	–
Denmark †‡	200	1999	15	●	100	Merrill Lynch	–
SWISS FRANCS							
Shiseido **§‡	150	1989	–	2	100	CS	2.000
World Bank **‡	100	1987	–	5⅝	100	CS	5.625
World Bank **‡	150	1989	–	6	100	CS	6.000
Seagram Co ‡	100	1994	–	5⅝	100	SBC	5.625
Sailor Pen Co **§	20	1988	–	2⅝	100	Bank Julius Baer	*
Shikoku Elec Power	100	1992	–	*	*	UBS	5.875
State Bk. of NSW	100	1994	–	*	*	SBS	5750
GUILDERS							
Denmark ‡	150	1994	8	9¼	100¼	ABN	9.211
ECUs							
3i ‖‡	60	1989	5	11	100	SG Warburg, Kredietbank Intl.	11.000
Piba ‡	40	1993	9	11¼	100	Paribas, BBL, Nikko (Eur.), Soc. Gen. de Bque., SBCI	11.250
YEN							
EIB ‡	20bn	1994	9	7.7	99.70	Daiwa Secs.	7.894
Taiwan Elec. Power **‡	5bn	1991	6.4	8	100	Daiwa Secs.	8.160
Australia ‡	50bn	1994	9	7.7	98.75	Nomura Secs.	7.886

* Not yet priced. ‡ Final terms. ** Placement. § Convertible. † Floating rate note. (c) coupon is spread over 3-month Libmean. ɸ Interest at 3-month Libmean. × Interest at 6-month Libmean. ● Interest at the higher of 6-month Libmean or 1-week Libor. †† Registered with U.S. S.E.C. ‖ Increased. Note: Yields are calculated on AIBD basis.

INTERNATIONAL CAPITAL MARKETS AND COMPANIES

U.S. BONDS

Treasury refunding to test bull markets mettle

THE U.S. equity market stole the show last week with a dazzling performance reminiscent, at least on the surface, of the August 82 bull rally. Bond prices, which led the way, also continued to rally but the credit market lacked the same sheer enthusiasm from investors. The key debate about whether economic growth has slowed to an acceptable non-inflationary pace requiring little if any further firming action by the Fed, is far from over. Indeed the debate, rather than subsiding, is perhaps fiercer than ever.

Almost everyone appears willing to ride the current rally but real conviction is lacking. Despite evidence of slowing monetary and economic growth, lower credit demand and a slackening of the inflationary pace, underlying uncertainties remain. These include concern about a creeping increase in the Fed funds rate, the Federal budget deficit, the upcoming election and a basic lack of belief that the latest economic statistics actually forecast the best of all possible worlds.

This week's $16.75bn Treasury quarterly refunding could provide a real test of the markets' mettle. It should also provide a test of the impact of the abolition of withholding tax on foreign investors' purchases.

The refunding kicks off tomorrow with the auction of $6.5bn in three-year notes to be followed on Wednesday with $5.5bn of 10-year notes and concludes with $4.75bn of new 30-year bonds on Thursday.

During the last week, while the Wall Street equity market was smashing records, the Treasury long bond gained a further 2¼ points to close at 105⅜—to bring the 30-year yield tumbling down to 12.48 per cent. In the past two weeks the long bond has gained more than five points and the yield has dropped from over 13 per cent to its current level.

Bond prices were further buoyed last week by a larger than expected $1.7bn decline in M1, the basic U.S. money supply measure. This left the recently "rehabilitated" money measure a very comfortable $7.4bn below the top of the Fed's current four to eight per cent target range.

In contrast the short-term money markets are continuing to echo with a cautionary note. Last week most short-term rates rose by between five and 35 basis points — resulting in a further dramatic flattening of the yield curve. Over the last four weeks the yield differential between the 30-year and 3-months has narrowed by 157 basis points to 171.

The divergence between short and long-term ratese is particularly evident with the Fed funds rate. This put on another 25 to 50 basis points to produce a 75 basis point increase since late May and closed on Friday at 11.50 per cent. This has led some observers to speculate that the Fed has shifted the mid-point funds rate "target" to the 11.5 per cent level—up from the average 11.25 per cent in July.

Despite this—or perhaps because of it—corporate treasurers have seized the opportunity to leap through a perceived "market window" with a spectacular $4.53bn in new issues last week alone, according to figures from First Boston.

Among the new offerings, Texaco sold $500m of 13 per cent seven-year notes at 98.54 to yield 13.1 per cent, American Express Credit sold $200m of 12.85 per cent two-year notes at par and another $100m of 10-year notes to yield 13.15 per cent, and Merrill Lynch sold $200m of 13.15 per cent three-year notes at par.

Other offerings included a $150m 10-year issue from Corestates Capital, $300m of 20-year bonds from Resorts International, a $100m two-year note issue from Westinghouse Credit and $75m offerings from Barclays American and Hospital Corporation of America.

Paul Taylor

U.S. INTEREST RATES

	Week to Aug 3	July 27
Fed funds weekly average	11.53	11.19
3-month CDs	11.35	11.30
3-month T-Bills	10.48	10.28
30-year long bond	12.56	12.77
AAA utility	13.50	13.88
AA industrial	13.38	13.51

Source: Salomon Brothers (estimates). In the week ended July 23 M1 fell by $1.7bn to $544.9bn.

First-half sales rise at Italcable

By Alan Friedman in Milan

ITALCABLE, the overseas telephone subsidiary of Italy's IRI-Stet government owned holding group, recorded a 25 per cent increase in first-half revenues to more than L175bn ($99m).

The company, did not release profit figures, but said full year revenues should rise in line with the first half increase. Last year Italcable made net profits of L25.4bn on L301.7bn of revenues.

Italcable's financial position is being strengthened by a capital injection which will raise its total capital from L88bn to L132½.

Italcable recently won a $14m contract to complete an international telephone cable system for 19 European, Arab and Asian countries.

Rhone-Poulenc

RHONE-POULENC has agreed with Siltec of California to produce silicon wafers for the manufacture of semi-conductors.

A joint subsidiary in which Rhone-Poulenc will have a 65 per cent interest and Siltec 35 per cent will set up a plant west of Paris, creating 250 jobs. The project will require an initial investment of FFr 300m

Blue Circle Australia well ahead midway

BY LACHLAN DRUMMOND IN SYDNEY

BLUE CIRCLE Southern Cement, the Australian group 40 per cent owned by each of Associated Portland of the UK and BHP, pushed up its net profits by 38 per cent from A$6.9m to A$9.5m (U.S.$7.9m), in the six months to June 30.

The increase reflected an upturn in cement demand, further increases in operating efficiency and net interest income of A$900,000.

Sales were 18 per cent higher at A$108m against A$91.5m and the dividend has been lifted from 3.5 cents to 4 cents a share payable on capital to be increased by a one-for-ten bonus issue.

Before tax and after adjustment for the interest turnround, the underlying increase in profits was about 21 per cent.

● Beneficial Corporation, of the U.S. is holding discussions with a number of potential purchasers with a view to selling its wholly-owned Australian finance unit, BFC Finance, reports Reuter from Sydney.

BFC has 75 branches throughout Australia and annual turnover of about A$250m. Beneficial said the decision is consistent with its policy of gradual contraction of international operations.

IDS sale lifts Alleghany

BY OUR FINANCIAL STAFF

ALLEGHANY Corporation reported a sharp rise in second-quarter net income to $47.5m or $6.02 per share from $13.4m or $1.33 a share in the comparable period last year. Revenue from continuing operations was up to $50.9m from $43.9m.

The boost in profits comes from a gain of $42.7m on the sale of the company's major subsidiary, Investors Diversified Services (IDS), to American Express last January.

IDS, the insurance and financial services concern, accounted for over 80 per cent of Alleghany's revenue in 1983. Its cash and stock sale has made Alleghany the largest single holder of American Express stock, with a 5.4 per cent stake.

N. AMERICAN QUARTERLY RESULTS

ALCO-STANDARD
Paper products, pharmaceuticals

Third quarter	1983-84 $	1982-83 $
Revenue	890.2m	716.4m
Net profits	18.0m	15.0m
Net per share	0.78	0.72
Nine months		
Revenue	2.54bn	2.03bn
Net profits	48.4m	37.8m
Net per share	2.05	1.81

DU PONT CANADA
Chemicals

Second quarter	1984 C$	1983 C$
Revenue	312m	293m
Net profits	15.9m	11.5m
Net per share	0.56	0.73
Six months		
Revenue	608.7m	546.5m
Net profits	27.4m	12.5m
Net per share	1.74	0.79

HIRAM WALKER RESOURCES
Distilling, energy

Third quarter	1983-84 C$	1982-83 C$
Revenue	930.2m	887m
Net profits	59.7m	33.8m
Net per share	0.61	0.32
Nine months		
Revenue	3.01bn	2.8bn
Net profits	220.7m	164.5m
Net per share	2.35	1.88

INT. FLAVOURS/FRAGRANCES
Flavouring & fragrances

Second quarter	1984 $	1983 $
Revenue	130.9m	126.3m
Net profits	21.2m	21m
Net per share	0.58	0.58
Six months		
Revenue	254.5m	247.8m
Net profits	39.9m	38.3m
Net per share	1.09	1.08

NORTHWEST AIRLINES
Domestic and Int'l Airline

Second quarter	1984 $	1983 $
Revenue	622.77m	537.54m
Net profits	39.63m	14.35m
Net per share	1.70	0.66
Six months		
Revenue	1.17bn	980m
Net profits	40.67m	16.55m†
Net per share	1.73	—

† Loss

NL INDUSTRIES
Oil services and eqpt

Second quarter	1984 $	1983 $
Revenue	352.2m	346.7m
Op. net profits	4.1m	41.2m
Op. net per share	0.05	0.63
Six months		
Revenue	685m	718m
Op. net profits	5.01m	147m
Op. net per share	0.05	0.79

† Loss

R. R. DONNELLEY AND SONS
Commercial printer

Second quarter	1984 $	1983 $
Revenue	417.9m	342.3m
Net profits	30.3m	25.8m
Net per share	0.79	0.68
Six months		
Revenue	796.6m	680.6m
Net profits	53.6m	46.1m
Net per share	1.40	1.21

SHELL CANADA
Petroleum products

Second quarter	1984 C$	1983 C$
Revenue	1.39bn	1.3bn
Op. net profits	35m	21m
Op. net per share	0.28	0.16
Six months		
Revenue	2.8bn	2.53bn
Op. net profits	86m	38m
Op. net per share	0.70	0.29

SMITH INTERNATIONAL
Drilling equipment

Second quarter	1984 $	1983 $
Revenue	180m	183.3m
Net profits	0.63m	16.13m
Net per share	0.03	0.27
Six months		
Revenue	352.2m	345.7m
Net profits	3.89m	19.00m
Net per share	0.17	0.40

† Loss

SOUTHERN CO.
Utility

Second quarter	1984 $	1983 $
Revenue	1.5bn	1.2bn
Net profits	145.1m	90.7m
Net per share	0.51	0.42
Six months		
Revenue	2.9bn	2.5bn
Net profits	310.7m	200.7m
Net per share	1.12	0.94

TAMBRANDS*
Tampons

Second quarter	1984 $	1983 $
Revenue	97.6m	92.2m
Net profits	15.8m	15m
Net per share	1.42	1.34
Six months		
Revenue	205.5m	176m
Net profits	30.2m	28.3m
Net per share	2.70	2.40

* Formerly Tampax

VARIAN ASSOCIATES
High technology products

Third quarter	1983-84 $	1982-83 $
Revenue	235m	194.9m
Net profits	15.7m	12.6m
Net per share	0.71	0.53
Nine months		
Revenue	659m	546.3m
Net profits	41.5m	30.8m
Net per share	1.89	1.49

INTERNATIONAL APPOINTMENTS

New president for Marsh & McLennan

● MARSH & McLENNAN COMPANIES plans to elect Mr Frank J. Tasco as president and chief operating officer, and Mr L. Patton Kline and Mr A. J. C. Smith as vice-chairmen at its board meeting in September. Mr Richard H. Blum will be elected president of Guy Carpenter & Company Inc., Marsh & McLennan's U.S. based reinsurance brokerage subsidiary, succeeding Mr Tasco.

● Mr Per-Eric Schyberg has decided to retire as managing director of AB-LEO after the 1985 annual meeting. Mr Schyberg will be proposed deputy chairman of the LEO board and will be at the disposal of Wilh. Sonesson AB for special duties. Mr Per Olof Martensson has been nominated as Mr Schyberg's successor and been appointed deputy managing director.

● CITIBANK, NA has appointed Mr V. K. Ramphul as country corporate officer for Mauritius. Mr Ramphul returns to Mauritius after an assignment at the bank's operations head in Gabon.

● Mr Frederick C. Schadrack has been promoted to senior vice president in charge of the bank supervision area of the FEDERAL RESERVE BANK OF NEW YORK. He has been a vice president in the bank supervision department, responsible for the bank analysis and bank examinations departments. Mr Schadrack will be responsible for the departments composing the bank supervision area, including bank analysis, banking studies, examinations, and foreign and domestic banking applications.

● Mr Jean-Pierre Bonny, former director of the Swiss Office for Industry, Craft and Labour, and Mr Heinrich Steinmann, general manager of Union Bank of Switzerland, have joined the board of HASLER AG, Berne.

● MITCHELL COTTS (AUSTRALIA) PTY. has made the following appointments: Mr J. I. Fox-Smith, deputy chairman and chief executive, will be retiring in December. He will become chairman on January and his deputy, Mr J. Muir, will become chief executive on that date. Mr J. P. Yorke has been appointed to the board as finance director. Mr B. Johnston, managing director of Mitchell Cotts Freight (Australia) Pty., will be promoted to managing director of Mitchell Cotts and Co. (Far East) based in Hong Kong and will be responsible for the transportation and trading activities. Mr Johnston will transfer to Hong Kong towards the end of this year. Mr J. Ledger has been promoted to general manager of Mitchell Cotts Freight (Australia) Pty. from his present position of marketing director and, on Mr Johnston's transfer, will become chief executive of Mitchell Cotts Freight (Australia) Pty.

● Mr James Phelps Retz, who has been vice president of the western region of the real estate company Previews, Inc., since 1978, has been appointed by SOTHEBY'S to the newly-created position of executive vice president of its International Realty Corporation. Initially, he will be giving special attention to the Realty Corporation's current programme of expansion in the Western U.S. and will be working from the Corporation's offices in Los Angeles. Later, he will be joining the firm's headquarters in New York. The chairman and president of Sotheby's International Realty, Mr Bruce Wennerstrom, who had been president of Previews, Inc. until he moved to Sotheby's at the beginning of this year, says: "Having worked closely with Jim Retz for a number of years, I have the utmost confidence in his proven capabilities in the field of luxury real estate marketing."

Jim Retz, Sotheby's U.S. property man

● McGRAW-EDISON has appointed Mr Frederick J. Florjancic Jr. as vice president and treasurer. He was previously vice president and divisional manager, Southwestern region, for the North American Banking Department of the Continental Illinois National Bank.

● Earl B. Hadlow, chairman of the law firm of Mahoney Hadlow and Adams, has been named vice chairman and general counsel of BARNETT BANKS OF FLORIDA, a financial holding company. He will assume full-time responsibility at Barnett for legal, legislative and regulatory matters.

● BRITISH CALEDONIAN AIRWAYS has appointed Mr John Ruzich as regional vice president, north-east U.S. The appointment follows BCAL's decision to open a New York gateway on May 1, 1985. In his new position, Mr Ruzich will be responsible for the development of sales, marketing and operational arrangements for the New York service including all passenger and cargo activities. BCAL holds a current air service licence on the London-New York route, but is unable to operate at present due to the "moratorium" agreement between the UK and U.S. governments which temporarily restricts the introduction of new air services on existing gateway airports.

● INTERNATIONAL MULTIFOODS CORPORATION has appointed Mr James Beardsley as vice president and general manager of its U.S. consumer products division. He replaces Mr James H. Kallestad, who has been elected senior vice president. Mr John E. Sampson has been elected vice president, planning and development, replacing Mr Dwain L. Jeter, who retired in June.

● HOLIDAY INNS INC. has appointed Mr Richard J. Goeglein as president and chief operating officer, succeeding Mr Michael D. Rose, who remains chairman and chief executive officer. Mr Goeglein remains president of the Harrah gaming subsidiary.

● Mr John M. Lamb has been appointed executive vice-president (marketing) of NATIONAL WESTMINSTER BANK's executive office North America. Prior to this appointment, Mr Lamb was senior vice-president of NatWest's New York marketing office.

FT INTERNATIONAL BOND SERVICE

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alaska Housing 11¾ 94	100	93½	94	+2¼	+4	12.89
All Nip. Airways 14 94	100	105¾	105⅞	+0¼	+0⅞	12.95
American Savings 12 89	125	98¾	99¼	+2¼	+1⅞	12.25
American Sav. 12¾ 89	100	97¼	97¾	+0⅝	+0¼	12.95
Australian I. Dv. 11 89	75	93¾	94¼	+1	+2¼	12.79
Austria Rep. 13⅝ 92	100	101¼	101⅝	+0¼	+1¼	13.32
Bank of Tokyo 13⅝ 91	100	100½	101	+0¼	+2⅜	13.43
Citicorp O/S 11¾ 99	100	†95	95½	0	+1	12.45
CNCA 13¼ 91	100	100¼	100⅝	+1⅛	+2¼	13.14
Coastled Inc. 12¼ 88	125	97⅛	97⅝	+0⅛	+0¼	13.13
Creditanstalt 13¼ 91	100	97⅞	98⅜	+0¼	−0⅞	13.53
DNC 11¾ 91 WW	50	89½	90	−0¼	+0½	14.22
DNC 11¾ 91 XW	50	89½	90½	+0⅞	+1¼	14.16
Denmark Kgdm. 12 91	100	92¾	93¼	+0⅛	+0⅜	13.63
Denmark Kgdm. 13 91	100	99⅛	99⅝	+1⅞	+2¼	13.12
Denmark Kgdm. 14 91	100	102⅞	103⅜	0	+1⅜	13.27
EDC 11½ 89	150	93¾	94¼	+0⅛	+1	12.94
EIB 12½ 90	100	96½	97	+0½	+1⅛	13.31
EIB 12⅞ 94	100	97⅜	97⅞	+0⅜	+0⅜	13.29
Eurofima 12½ 91	100	97	97½	+0½	+1⅛	13.11
Ex-Im Bk. Japan 13¼ 91	75	104⅜	104⅞	+0⅛	+1⅜	12.20
First Michigan 13⅛ 89	125	100½	101	+1⅛	+1⅞	13.02
Florida Fed. Sv. 12⅛ 89	100	97	97½	+0⅛	+0¼	13.15
Gen. Elec. Credit 0 98	600	25⅜	25⅝	0	+0⅝	12.18
Gen. El. Cr. 11 91 WW	200	94½	96	−0⅛	+2	12.17
Genossen Zentral 14 91	100	100⅝	101⅛	−0⅝	+1⅞	13.75
GMAC O/S Fin. 13 86	200	101⅜	101⅞	+0⅛	+0⅝	11.96
Gulf & Western 12⅛ 89	100	92⅞	93⅜	0	+0½	14.21
Ind. Bk. Japan 11½ 89	125	93	93½	+0⅛	+1⅛	13.52
Ind. Bk. Japan 13⅞ 91	125	104	104½	+0½	+2⅞	12.89
Japan Air Lines 12½ 94	70	96⅛	96⅝	+0⅛	+1⅛	12.65
Macy O/S 11¾ 91	100	94½	95	−0⅛	+0⅛	12.96
Mitsui Trust Fin. 12 91	100	92⅞	93⅜	+0⅛	+1⅛	13.67
Montreal City 12½ 91	70	95½	96	+0⅝	+0⅞	13.47
Mrgn Guaranty 12⅜ 89	150	95⅞	96⅜	−0⅛	+0⅞	13.40
Newfndlnd. Prov. 13 91	75	98⅞	99½	+0⅛	+1⅛	13.17
Nippon Cred. B. 13⅞ 89	100	102	102½	0	+2⅛	13.21
Nippon Tele. 11⅜ 90	100	96⅝	97⅛	+0½	+0⅞	12.14
Nova Scotia Pr. 11⅜ 91	100	91⅞	92⅜	+0½	+1⅞	13.61
Ontario Hydro 11⅝ 94	200	93½	94	+2⅛	+3¼	12.76
Quebec Hydro 11½ 92	100	†92⅛	92⅝	+1	+1½	13.02
Quebec Prov. 12⅜ 94	150	94⅞	95¼	+1½	+1⅛	13.17
Rockefeller Gp. 13⅛ 89	100	102⅛	102⅝	+0¼	−0⅛	12.51
Royal Bk. Can. 11⅛ 89	100	93⅞	94⅜	+1⅛	+2⅛	13.25
Rural & Ind. Bk. 12 91	50	93⅛	93⅝	+0⅛	+1½	13.61
Sears O/S Fin. 11⅝ 91	150	97¼	97⅝	+2½	+3⅛	12.17
S. Pac. O/S Fin. 11⅜ 89	75	†92	92½	+1	+2	13.99
S. Pac. O/S Fin. 12 92	100	92½	93	+0½	+0⅝	13.55
SEK 11½ 89	100	93⅛	93⅝	+0¼	+0⅜	13.50
Shearson/Amex 12⅛ 94	100	93⅛	93⅝	0	+0⅞	13.33
Statoil 12 88	100	100	100½	+2	+2⅞	11.86
Statoil 13½ 89	100	101½	102	−0⅛	+0⅞	13.00
Sumitomo Fin. 12⅜ 91	150	96⅛	96⅝	+1⅛	+2⅛	13.57
Sweden Kngdm. 12⅜ 89	200	97	97½	0	+1⅛	13.15
Texas Instns Int. 11⅞ 91	150	95½	96	+0⅝	+2	12.83
Tokai Asia 12⅜ 91	100	†93½	94	+1½	+1⅛	13.72
Tokyo Met. 12⅞ 94	50	98⅜	99⅛	+1½	+2	13.08
World Bank 11⅜ 89	200	94⅞	95⅛	+0½	+1⅛	12.89
Yasuda T. & F. 12⅜ 89	100	96⅞	97⅜	+2⅛	+2⅞	13.19

Average price changes... On day +0⅝ on week +1½

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Allied Chemical 7½ 94	125	98⅛	98⅞	+0¼	+0⅜	7.72
Amca Intl 8¼ 91	100	99⅝	100½	+0¼	+0¼	8.21
ANAS 8½ 91	150	99⅝	100½	+0⅛	+1⅛	8.46
Austria Republic 7⅝ 94	200	94⅞	95⅜	0	+0⅛	8.35
Baxter Travenol 7⅛ 94	200	95⅞	96⅜	0	−0⅛	7.81
Credit National 8⅜ 94	200	97½	98¼	+0⅛	+0⅞	8.45
Degussa Int. Fin. 7½ 94	100	99⅝	100⅛	0	+0⅝	7.49
EEC 8 92	200	98¾	99¼	+0½	+0¼	8.22
EIB 8 91	250	97⅞	98¼	+0⅛	+0⅛	8.41
ESCOM 8 92	150	98⅞	99⅜	+0⅛	+0⅜	8.15
Ferrovie Dello St. 8 91	100	98⅞	99⅜	+0¼	+0⅜	8.19
Finland Rep. 7½ 91	150	95⅞	96⅜	+0½	+1	8.06
Gould Int. Fin. 7⅜ 91	100	98	98½	+0¼	+0⅛	7.96
Int Standard Ele. 7⅛ 90	100	98⅝	99⅛	0	+0¼	7.57
Ireland 8⅞ 92	150	98¼	98⅞	+0⅛	+1⅛	8.41
Megal Fin. 8¼ 94	150	98⅞	99⅜	+0⅛	+1⅛	8.36
Mitsbshi. H. 3½ 89 WW	300	96⅝	97⅛	+0⅞	+0½	4.19
Mitsbshi. H. 3½ 89 XW	300	86⅝	87⅛	+0¼	+0⅛	6.91
OKB 7½ 88	100	98⅞	99⅜	+0¼	+1⅛	7.69
Pepsico O/S Fin. 7¼ 94	250	96⅞	97⅜	−0⅛	0	7.71
Reynolds O/S F. 7⅞ 94	125	97⅞	98⅜	+0⅞	+0¼	7.76
Soc. Cent. Nuclear 8 91	100	98½	99	+0⅜	+1⅛	8.24
Sth Africa Rep. 8½ 91	200	100¼	100⅞	+0⅜	+0⅜	8.39
World Bank 7⅜ 89	100	99⅛	100⅛	+0½	+0¼	7.83
World Bank 8 93	300	98⅛	98⅞	+0⅛	+1⅛	8.23
World Bank 8 94	200	98⅛	98⅞	+0⅞	+1⅛	8.22

Average price changes... On day +0¼ on week +0⅝

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Canada 5⅞ 92	200	†99½	99⅞	0	+0½	5.31
Consd. Foods 5⅝ 94	200	†102½	102⅞	0	+0½	6.39
Consd. Press 6⅛ 94	200	99½	99⅞	0	+0⅛	6.30
Credit Foncier 6 94	120	†100½	100⅞	+0¼	+0½	5.91
Electric Power 5⅜ 94	100	†98½	98⅞	0	+0¼	5.80
Euratom 6¼ 94	90	†100¼	100½	+0¼	+0½	6.20
FGH 5⅞ 92	110	†98	98¼	+0¼	+0¼	6.05
GO Int. 6⅞ 92	70	†100¼	100½		+0½	6.68
Int.-Am. Dv Bk. 6¼ 94	120	†99½	99⅞	0	0	6.30
Japan Fin. Corp. 5½ 94	100	†97⅞	98	0	−0¼	5.79
Japan Highway 5⅜ 92	150	†97¼	97½	+0¼	+0¼	5.80
Kansai Ele. Pwr. 6⅛ 92	100	†103	103⅜	0	+0¼	6.62
Lonrho Int. Fin. 6⅞ 94	100	†101	101⅜	+0¼	+0¼	6.21
Manitoba Prov 5⅞ 94	100	†101¼	101½	0	+0¼	5.56
Mitsui Fin. Asia 5⅞ 94	55	†97½	97⅞	0	0	6.20
Mount Isa Fin. 5⅞ 94	100	†98	98¼	0	0	6.01
New Brunswick 5⅝ 94	100	†100¼	100½	0	−0⅛	5.57
Quebec Hydro 5⅞ 94	150	†101½	101⅞	+0¼	+0¼	5.66
Spain Kingdom 6¼ 92	100	†102	102⅜	0	0	5.89
Statsforetag 6 92	75	†100¼	100½	+0¼	0	5.93
Sweden Kingdom 5¾ 94	125	†99	99¼	−0¼	−0¾	5.87
Tauernkraftwerke 5⅞ 94	100	†97¼	98	0	0	5.79
Tobu Railway 4 92 WW	100	†97¼	97½	+0¼	+0¼	4.40
Tobu Railway 4 92 XW	100	†86½	86¾	0	0	6.22
Transcanada Pipe 5½ 92	100	†98	98¼	+0¼	+0¼	5.80

Average price changes... On day 0 on week +0¼

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bk. 7⅛ 94	15	98⅛	98⅝	0	+0¼	7.61
Eurofima 7⅛ 94	10	98¼	98⅝	0	+0¼	7.59
New Zealand 7⅜ 90	15	96½	97	+0⅛	+0¼	7.79
World Bank 7 94	20	94⅛	94⅝	+0⅛	+0¼	7.84
World Bank 7⅜ 93	20	98⅞	99⅜	0	+0⅛	7.77

Average price changes... On day 0 on week +0¼

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bq. Indosuez 14 91 C$	75	†97½	98	+1¼	+1⅞	14.53
Br. Col. Tel. 12⅞ 99 C$	70	†96½	97	+1¼	+3⅛	12.72
Canadn. Oc. 12⅞ 99 C$	60	†96½	97	+1¼	+3⅛	12.85
CNE 13 93 C$	50	†96½	97	+0¼	+1⅞	13.62
Montreal City 12 90 C$	50	†94½	95	+0⅛	+0½	13.23
Quebec Hydro 14 91 C$	75	†105¾	106¼	+1	+0⅛	12.69
Vancouver C. 13 94 C$	30	†99½	100	+1	+1½	13.02
Austria Rep 10⅝ 93 Ecu	100	†96	96½	+0⅛	+0½	11.31
IBJ 11⅛ 89 Ecu	40	†100¼	100⅞	−0⅛	0	11.06
Aegon 8⅛ 89 Fl	100	100½	101	+0¼	−0⅛	8.05
Beatrice Foods 8⅛ 89 Fl	100	101	101½	0	+0⅛	7.93
Dai-Ichi 8½ 89 Fl	50	98⅞	99¼	+0¼	0	8.75
New Zealand 8⅜ 89 Fl	100	99	99½	0	+0⅛	8.44
Rank Xerox F. 8⅜ 89 Fl	75	100½	100⅞	+0⅛	+0⅛	8.14
World Bank 8⅛ 89 Fl	150	99⅛	99⅞	+0⅛	+0⅛	8.33
OKB 14 86 FFr	400	101	102	−0⅛	−0⅛	12.70
Solvay et C. 14⅛ 86 FFr	200	101⅛	102⅛	−0⅛	−0⅛	13.05
Air Canada 11⅞ 94 £	40	91⅞	92⅛	+0½	+0⅞	12.73
CNCL Europe 11⅞ 92 £	50	93⅞	94	+0½	+0⅞	12.67
Denmark 10⅞ 89 £	75	93⅛	93⅞	+0⅛	+0⅛	12.60
EEC 11⅞ 94 £	50	93⅞	94⅛	+0⅛	+0⅛	12.43
EIB 10⅝ 92 £	50	90⅛	91⅛	+0⅛	+0⅛	12.67
IBJ 11⅛ 95 £	30	95⅛	95¼	+0⅛	+0⅛	12.35
III 10⅜ 93 £	25	90⅞	91⅛	+0⅛	0	12.40
Int. Stand. El. 11⅛ 89 £	50	97⅞	98⅛	+0⅛	0	11.64
Ireland 11⅜ 94 £	50	89⅝	90⅛	0	−0⅛	13.26
New Zealand 10⅝ 89 £	100	93⅛	93⅝	+0⅛	+0⅛	12.49
OKB 12⅞ 91 £	30	99⅛	98⅛	+0⅛	+0⅛	12.34
Royal Trustco 12⅞ 89 £	30	89⅛	99⅛	+0⅛	+0⅛	12.38
SNCF 11⅜ 94 £	60	90⅛	91⅛	+0½	+0⅞	12.93
S. Africa Rep. 12½ 89 £	40	99⅛	100	+0½	+0½	12.69
World Bank 10⅛ 89 £	100	93⅛	93⅞	+0½	+0⅛	12.46
Electrolux 10 89 LuxFr	500	98½	99⅛	−0⅛	0	10.36
CNCL Eur. 10⅛ 93 LuxFr	600	101⅛	102⅛	−0⅛	−0⅛	10.44

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Arab Banking 5⅛ 98	0⅛	†98⅛	99⅛	15/9	10.81	10.92
BBL Int. 5 98	0⅛	99⅛	99½	11/10	11.19	11.26
Banca Naz. Agri. 5⅛ 91	0⅛	†99⅛	99½	18/7	5⅛	5.28
Bank of Montreal 5 96	0⅛	100	100⅛	27/10	11.19	11.17
Bankers Trust 5⅛ 96	0⅛	100	100⅛	10/8	11⅛	11.74
Barclays O/S In. 5 2004	0⅛	99⅛	99⅛	2/9	10.56	10.64
BFG Fin. 5⅛ 96	0⅛	99	99⅛	1/9	11⅞	11.98
Credit Lyonnais 5⅛ 96	0⅛	100	100⅛	14/12	12⅛	12.61
Dai-Ichi Kangyo 5⅛ 96	0⅛	99⅛	100⅛	10/11	12⅛	12.14
Dresdner Fin. 5⅛ 89	0	99⅛	99⅛	23/8	11⅛	11.67
EDF 5⅛ 99	0⅛	99⅛	99⅛	23/8	10.56	10.62
Ferrovie Stato. 5⅛ 99	0⅛	99⅛	100⅛	31/8	10.69	10.69
Gotabanken 5⅛ 94	0⅛	98⅛	98⅛	10/11	12.19	12.36
Lloyds Euro. 5 2004	‡0⅛	99⅛	99⅛	19/10	11.31	11.40
Midland Int. Fin. 5 99	‡0⅛	99⅛	99⅛	6/9	10.56	10.64
Mt. Bk. Denmark 5⅛ 99	‡0⅛	99⅞	100⅛	11/8	11	10.99
Nat. West. Perp. 5 89	0⅛	100	100⅛	10/11	12.44	12.42
Oster. Land. 5⅛ 89	‡0⅛	†98⅞	99⅛	11/10	11.19	11.29
Queensland Coal 5⅛ 96	0⅛	100	100⅛	9/11	11⅛	11.60
Societe Gen. 5⅛ 94	0⅛	99⅛	100	15/9	10.18	10.20
Spain 5⅛ 97	0⅛	99⅛	99⅛	23/8	10.56	10.62
Sweden Perp. 5⅛ 85	0⅛	100⅛	100⅛	9/7	5⅛	5.23
Takugin 5⅛ 94	‡0⅛	99⅛	100⅛	15/9	10⅛	10.76
Tokai 5⅛ 99	0⅛	100⅛	100⅛	12/12	12⅛	12.45
Toyo 5⅛ 99	0⅛	100	100⅛	14/12	12⅛	12.59

Average price changes... On day 0 on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 3 99	4/84	1169	97⅛	98⅛	+2⅛	7.23
Daiwa Sec. Co. 5½ 98	10/83	481.8	†104	105⅛	0	−4.03
Fanuc 3⅛ 98	1/84	9124	129	130	+8⅛	47.77
Fujitsu 3 99	5/84	1320	97⅛	98⅛	+4⅛	8.68
Honda Motor 5⅛ 98	6/83	884	146⅛	147⅛	+10⅛	10.11
Konishiroku Ph. 4 98	10/83	673	93⅛	94⅛	+2	4.91
Marui 3½ 99	7/84	1162	92⅛	93⅛	+3⅛	10.05
Minebea Co. 5½ 98	5/83	667	111⅛	112⅛	+3⅛	5.91
Mitsubishi Elec. 5⅛ 98	6/83	396	101⅛	102⅛	+4⅛	9.24
Mitsubishi Heavy 4⅛ 99	1/84	253	85⅛	86⅛	+1⅛	3.68
Murata 3½ 99	2/84	2838	106⅛	107⅛	+4⅛	28.04
Murata 3½ 2000	7/84	2398	103⅛	104⅛	+4⅛	1.68
Nippon Oil Co. 3⅛ 99	3/84	1052	87⅛	88⅛	+4⅛	8.57
Nippon Oil Co. 5⅛ 98	4/83	964	97⅛	98⅛	+3⅛	8.60
Nissan Motor 5⅛ 98	4/83	700	83⅛	85⅛	+2⅛	13.80
Ono Pharm. Co. 3⅛ 98	3/84	9460	138⅛	140⅛	+0⅛	27.50
Orient Leasing 5⅛ 98	6/83	2680	115⅛	117⅛	+6⅛	−1.23
Secom 5 98	11/83	2920	164	166	+14⅛	11.90
Sekisui House 3 98	6/84	612	94	95	0	2.38
Sumitomo Corpn. 2⅛ 89	6/84	583	82⅛	83⅛	+1⅛	3.67
Yamanouchi Ph 4 90	10/83	1808	89	90	+1⅛	42.03
Nippon Oil 2⅛ 92 SwFr	3/84	1052	†100⅛	100⅛	+0⅛	10.96
Nippon Shin. 2 92 SwFr	3/84	801	†91⅛	91⅛	−0⅛	34.58
Settsu Ppr. 2⅛ 92 SwFr	4/84	677	†144	144⅛	−1	2.90
Asics 5 92 DM	12/83	520	97⅛	98⅛	0	22.98
Sum Realty 6⅛ 92 DM	2/83	365	142⅛	143⅛	+7⅛	1.16

EUROBOND TURNOVER
(nominal value in $m)

	Cedel	Euro-clear
U.S. $ bonds		
Last week	8,115.5	19,629.6
Previous week	7,752.8	14,713.4
Other bonds		
Last week	1,284.6	1,193.7
Previous week	1,723.7	853.4

* No information available—previous day's price.

† Only one market maker supplied a price.

STRAIGHT BONDS: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate († three-month; ‡ above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

The list shows the 200 latest international bonds for which an adequate secondary market exists. The prices over the past week were supplied by: Kredietbank NV; Credit Commercial de France; Credit Lyonnais; Commerzbank AG; Deutsche Bank AG; Westdeutsche Landesbank Girozentrale; Banque Generale du Luxembourg SA; Banque Internationale Luxembourg; Kredietbank Luxembourg; Algemene Bank Nederland NV; Pierson, Heldring and Pierson; Credit Suisse/Swiss Credit Bank; Union Bank of Switzerland; Akroyd and Smithers; Bank of Tokyo International; Blyth, Eastman, Paine, Webber International; Chase Manhattan; Citicorp International Bank; Credit Commercial de France (securities) London; Daiwa Europe NV; EBC; First Chicago; Goldman Sachs International Corporation; Hambros Bank; IBJ International; Kidder Peabody International; Merrill Lynch; Morgan Stanley International; Nomura International; Orion Royal Bank; Robert Fleming and Co.; Samuel Montagu and Co.; Scandinavian Bank; Societe General Strauss Turnbull; Sumitomo Finance International; S. G. Warburg and Co.; Swiss Bank Corporation International; Wood Gundy.

Closing prices on August 3

UK COMPANY NEWS

Midway fall by British American and General

FULLY DILUTED net asset value at British American and General Trust amounted to 102.6p compared with 106.7p for the first half of 1984. At the previous year-end, it stood at 105.1p.

The directors say that during the first half of 1984, periods of strength in world stock markets were used to extinguish borrowings and raise an element of liquidity.

They now say they believe the substantial fall in equity values which started in the early summer of 1983 is nearing completion, and they expect to make further progress in the second half.

Net earnings for this investment trust, which is managed by Kleinwort Benson Investment Management, slipped from £657,000 to £607,000. Earnings per 25p share are shown as falling from 1.31p to 1.21p and the interim dividend has been held at 1p. In the last full year a final of 1.6p was also paid.

Prudential Corpn. changes structure of pensions offshoot

THE Prudential Corporation, Britain's largest life assurance operation, has announced changes in the structure of its pensions investment management subsidiary Prudential Pensions Ltd as part of the overall corporate structuring operation within the Corporation.

PPL now becomes one of the new operating divisions within the Corporation, with an entirely executive board under the chairmanship of Mr Derek Fellows, the chief actuary of Prudential Assurance—the main UK subsidiary of the Corporation.

New appointments to the board include Mr John Swales, group pensions manager of Prudential Assurance, who will also become general manager of PPL. Mr Michael Newmarch, chief executive of Prudential Portfolio Managers, the investment arm of the Corporation, continues as investment director of PPL.

This restructuring of PPL completes the process begun in 1982 of revising the structure of the investment management team within Prudential Portfolio managers.

The latest quarterly review of PPL shows that funds under management at the end of June 1984 amounted to £1.18bn with the Discretionary Fund amounting to £661m.

The managers of the Discretionary Fund have been switching out of overseas equities into UK equities during the second quarter.

They consider that the prospect for overseas equities have deteriorated somewhat this year, while in contrast the rising economic activity and stable financial background in the UK should provide firm support for UK equities.

At the end of June the Discretionary Fund was invested 44.4 per cent in UK equities, 16 per cent in overseas equities, 27.3 per cent in fixed interest and 11.7 per cent in property.

'We have had no talks with rival' —Sedgwick

Sedgwick Group, Britain's biggest independent insurance broker, yesterday denied suggestions that it was holding talks on the purchase of a stake in Stewart Wrightson, one of its larger broking rivals.

"There's absolutely no truth in it at all," said Sedgwick's company secretary, Mr Frank Hitchman, of rumours that Mercury Securities, holding company for merchant bank S. G. Warburg, was discussing the sale of its 29.9 per cent holding in Stewart Wrightson to Sedgwick and that a bid from Sedgwick seemed imminent.

Sovereign Oil welcomes new shareholder

Home Oil, a Canadian oil and gas company, has no immediate plans to increase a 22.9 per cent stake which it has agreed to acquire in Sovereign Oil and Gas, a UK exploration company.

Dome Petroleum, also of Canada, has agreed to sell its entire holding in Sovereign to Home, a subsidiary of Hiram Walker Resources, for C$40m.

Sovereign said it welcomed the new shareholder, and that the change "was likely to provide Sovereign with the opportunity to expand into international areas." Home has told Sovereign it views its purchase as a long-term investment which will provide it with an important position in the North Sea and Europe.

Amersham

Four months into the new financial year at Amersham International, Sir John Hill, chairman, told the annual meeting that indications so far were favourable for the company's performance in 1984/85.

Looking further ahead he was confident that the company would continue to make solid advances in the coming years.

Falconbridge lifts first-half profits

BY KENNETH MARSTON, MINING EDITOR

THE Canadian nickel-producing Falconbridge has had a good first-half 1984 compared with the depressing result of a year ago. Second quarter 1984 earnings amount to S$8.35m (£4.88m) and brings the total for the half-year to $16.26m, or C$2.26 per share.

In addition the company had a gain in the latest period of C$16.16m from the sale of Superior Oil stock to Mobil and there was a tax credit of C$6.98m. These items raised total first-half earnings to C$39.4m, or C$5.48 per share, compared with a restated loss of C$40.1m in the same period of last year.

Mr William James, the chairman, said that the main reasons for the rise in first-half earnings, before extraordinary items, were higher prices received for nickel, increased sales of base and precious metals and a reduction in costs.

However, he added that the increased prices realised for nickel and ferronickel products "continued to be heavily influenced by the low price levels offered by certain producers and traders."

Internal actions pay off at Brickhouse Dudley

MR RICHARD GRAVES, chairman and chief executive of Brickhouse Dudley Group, West Midlands supplier of materials and services to the building and civil engineering industries, told the annual meeting that the group "was firing on all cylinders, with all divisions trading profitably."

He added: "The improvements which we are now seeing in our companies are more as a result of measures which we have taken internal than those which have been induced by an improved economic scene.

"These measures, taken before the close of the last accounts, are bearing fruit. The first quarter of this year has shown in the manufacturing division a more consistent volume of input related to capacity, improved productivity and further efficiency savings."

Mr Graves said the merchant division had continued to make progress. Exports, although beset by the difficulties of the Gulf war and Libya, were maintaining a good level of business, and the group's civil engineering arm showed strong signs of valuable growth.

He said the indications were that, unless the current problems of industrial unrest escalated, he expected to see a healthy advance in profits.

● At the annual meeting of RFD Group, the acting chairman Mr D. B. Mynors said making any forecast for the full year was inappropriate because the meeting was six weeks earlier than usual.

What had been seen so far, he said, was exactly in line with the directors' statement with the year-end accounts, namely that while increased profits could be expected for the full year, not much of the improvement might be seen at the interim stage owing to the delivery timing of several important contracts.

COMPANY NEWS IN BRIEF

The following securities have been added to the FT Share Information Service:

Essex International (Section: Mines—Miscellaneous).

Hobson (Engineering).

London and Clydesdale Holdings (Buildings).

Piccadilly Radio (Leisure).

* * *

A slight reduction from £36.27m to £36.03m in net assets available for ordinary shareholders is reported by Glasgow Stockholders Trust for the six months to June 30, 1984. Net asset value per 25p share was down from an adjusted 109p to 108p. At December 31, 1983, net asset available to ordinary shareholders was £36.91m, and net asset value per share was 111p.

Gross revenue in the opening half was up from £843,299 to £950,296 and pre-tax revenue came out at £662,841 compared with £584,046. Tax was up from £210,407 to £234,686.

An interim dividend of 0.75p net has already been announced and will be paid on August 17. It is the board's intention to recommend a final dividend of not less than the equivalent 1.1p final dividend, after allowing for the one-for-two scrip issue paid in March.

The directors say the trust's portfolio distribution remains much the same as at December 31, 1983—46 per cent is invested in the UK, and 42 per cent in the U.S.

* * *

Pre-tax profits at Silverthorne Group advanced from £125,000 to £158,000 for the 26 weeks ended June 30 1984. The group, whose principal activities are metal finishing and manufacture and factoring of consumer goods, chain saws and garden machinery, reported turnover down slightly at £1.72m (£1.83m), but operating profit was up at £129,000 (£122,000).

Earnings per ordinary 10p share rose to 2.43p (1.83p). The directors are recommending an unchanged interim dividend of 0.5p net.

BIDS AND DEALS IN BRIEF

Mitchell Cotts' subsidiary, Howard Humphreys Group, a leading consulting engineer, has acquired Hong Kong-based Pypun Group Consultants, one of the volony's major consulting organisations.

* * *

Pergamon Press has purchased 290,000 ordinary shares in The British Printing & Communication Corp and now holds 83.89m (59.14 per cent).

* * *

F. J. C. Lilley has completed the sale of Ace Machinery and William Jones (Chemical Engineers) to a consortium led by the existing directors of these subsidiaries.

Consideration was £103,000 cash, which is equivalent to the net asset value at the end of January 1984.

The 4.6 acre site at Charlton, London is being retained by the Lilley Group and a short term lease has been entered into with the purchaser.

* * *

Lilleshall announces completion of the sale of its subsidiary, Lilleshall Engineering, to TWIL of Sheffield, after approval from the Office of Fair Trading.

* * *

Munro Corporate, a corporate finance group, is acquiring Afcor Investments from African Finance Corporation for £400,000 payable through the issue of Munro shares, which AFC will retain.

Both Munro and Afcor are issuing houses, and Afcor makes a market in 16 companies traded over-the-counter. Munro acquired another licensed dealer, N. K. Cosgrave, in March.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims:—Evode, Glynwed International, Relyon.

Finals:—Asprey, Grosvenor Square Properties, Standard Telephones and Cables.

FUTURE DATES

Interims:—

Anglo American Industrial	Aug 29
Crouch (Derek)	Sept 4
De Beers Consolidated Mines	Aug 21
East Lancashire Paper	Aug 9
Kleinwort Benson Lonsdale	Sept 4
Liberty Life Assoc. of Africa	Aug 20
Novo Industri A/S	Aug 23
Turner and Newall	Sept 13

Finals:—

BSR	Aug 15
Highgate and Job	Aug 10
Impala Platinum	Aug 13
Smith (W. H.)	Aug 22
Victor Products	Aug 16

FINANCIAL TIMES STOCK INDICES

	Aug. 3	Aug. 2	Aug. 1	July 31	July 30	July 27	1984 High	1984 Low	Since Compilatn High	Since Compilatn Low
Government Secs.	77.98	76.70	76.07	75.95	75.72	76.16	83.77	75.72	127.4	49.18
Fixed Interest	81.75	80.74	80.45	80.65	80.43	80.83	87.48	80.43	150.4	50.53
Industrial Ord.	831.4	809.1	795.2	790.5	778.7	776.4	922.8	755.3	922.8	49.4
Gold Mines	514.4	504.7	485.7	497.3	499.0	503.4	711.7	485.7	734.7	43.5
FT-Act. All Share	499.43	488.19	478.79	474.85	469.67	466.94	536.71	464.64	536.71	61.92
FT-SE 100	1065.0	1039.1	1018.1	1010.1	996.5	995.6	1141.6	986.9	1141.6	986.9

Granville & Co. Limited

Member of NASDIM

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

Over-the-Counter Market

Capitalisatn. £000's	Company	Price	Change on week	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
6,016	Ass. Brit. Ind. Ord.	136	—	6.3	4.6	8.0	10.4
—	Ass. Brit. Ind. CULS	144	—	10.0	6.9	—	—
3,184	Airsprung Group	55	—	6.4	11.6	6.0	7.3
900	Armitage & Rhodes	36	—	2.9	8.0	4.5	7.5
40,207	Bardon Hill	129xs	—	3.4	2.7	13.0	21.6
2,530	Bray Technologies	46	—	3.5	7.6	5.3	7.7
2,190	CCL Ordinary	183	−3	12.0	6.6	—	—
—	CCL 11pc Conv. Pref.	124	−2	15.7	12.7	—	—
3,090	Carborundum Abrasives	518	−2	5.7	1.1	—	—
1,581	Cindico Group	100	−3	—	—	—	—
5,166	Deborah Services	66	—	6.0	9.0	35.3	67.4
14,970	Frank Horsell	232	+1	—	—	9.3	12.2
—	Frank Horsell Pr Ord 87	205	+2	9.6	4.7	8.2	10.8
3,611	Frederick Parker	25	—	4.3	17.2	—	—
646	George Blair	35	—	—	—	—	—
1,908	Ind. Precision Castings	47	—	7.3	15.5	13.0	16.2
15,059	Isis Ord.	210xs	−7	15.0	7.1	—	—
5,515	Jackson Group	109	—	4.9	4.5	5.0	9.8
34,401	James Burrough	228	+1	13.7	6.0	8.0	8.0
—	James Burrough 9pc Pf.	85	—	12.9	15.2	—	—
3,380	Linguaphone Ord.	145	—	—	—	—	—
—	Linguaphone 10.5pc Pf.	99	−1	15.0	15.1	—	—
11,448	Minihouse Holding NV	424	+4	3.8	0.9	30.5	33.4
653	Robert Jenkins	64	−2	20.0	31.2	7.4	5.0
2,340	Scruttons "A"	49	—	5.7	11.8	25.8	6.0
1,977	Torday & Carlisle	81	+1	—	—	8.7	18.4
1,983	Travian Holdings	433	—	—	—	8.8	8.0
3,297	Unilock Holdings	21	+0½	1.3	6.2	10.2	14.7
10,964	Walter Alexander	86	+4	6.8	7.9	6.6	10.0
5,671	W. S. Yeates	243	—	17.1	7.0	5.8	11.6

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price	+ or −	Net Div.	Times covered	Gross Yield	P.E. Ratio
110	F.P.	31/8	88	82	Amari	86	.....	bg4.8	2.6	7.8	7.0
§180	F.P.	6/8	222	140	✠Appl'd H'graph's.5p	160	.....	—	—	—	—
—	F.P.	—	200	110	Do. Warrants	130	.....	—	—	—	—
270	F.P.	10/8	375	163	Assoc Brit Ports	300	−4	8.5	2.9	6.1	7.5
§85	F.P.	7/9	100	96	✠Berkeley Grp.	100	+3	u3.6	2.8	5.1	10.6
§75	F.P.	—	89	83	✠Blue Arrow	84	+1	bg1.2	5.2	2.0	11.1
§62½	F.P.	15/8	74	66	✠Britannia Sec G 10p	74	+1	u1.0	3.8	1.9	15.1
§88	F.P.	17/8	92	73	✠Bush Radio 10p	75	+2	bg1.0	4.5	1.9	16.2
§30	F.P.	3/8	33½	22	✠Clogau Gold 10p	23	+½	—	—	—	—
¶120	F.P.	—	126	123	✠Compsoft Hdgs. 5p	126	+1	g1.5	3.0	1.7	28.9
§136	F.P.	3/8	172	137	✠DDT Group 5p	161	+1	u1.0	5.9	0.9	23.0
**	F.P.	—	26	23	Derby Tst. Warrants	26	+1	—	—	—	—
¶185	100	12/9	106	92	Enterprise Oil	96	.....	b7.0	3.2	5.5	12.3
58	F.P.	31/8	50	48	✠EntertainProdSer5p	49	.....	b2.25	2.1	6.6	8.6
95	F.P.	3/8	120	105	Etam 10p	113	+1	2.5	2.9	3.2	15.6
‖	F.P.	—	97	87	Falcon Res. 20p	97	+2	—	—	—	—
—	F.P.	—	13	8	Gartmore I. & F.Warr.	9	.....	—	—	—	—
§33	F.P.	3/8	38	31	✠Gee-Rosen 5p	31	.....	u1.8	1.6	8.9	11.9
‖	F.P.	—	£14	£13½	Inv. AB Beijer 'A'SK.50	£14	.....	7.0	b2.5	2.5	17.6
§100	F.P.	17/8	116	100	✠Mayfair & City Prop	115	−1	bg3.0	1.2	3.7	23.4
¶¶	F.P.	—	48	28	MurrayVenturesWrrts	29	−1	—	—	—	—
15	F.P.	29/6	153	126	✠Northamber 5p	140	.....	u1.0	5.4	1.0	26.1
‡‡	F.P.	—	£12½	£12	PLM AB A Sk 25	£12⅛	.....	—	—	—	—
§Sk126	F.P.	—	£12½	£12	Do. B Sk 25	£12⅛	.....	—	—	—	—
§214	F.P.	—	278	242	PWS Intnl. 10p	278	.....	9.0	2.7	4.6	18.4
§60	F.P.	22/6	62	52	✠Pacific Sales 10p	52	.....	b2.4	3.2	6.6	7.9
§10¼	F.P.	—	14	10¾	✠Pres. Entertain. 10p	14	.....	bg0.4	2.0	4.1	17.8
132	F.P.	16/8	152	138	Sarasota Tech'gy 10p	152	+2	g1.9	4.1	2.1	17.1
§65	F.P.	13/7	66	62	✠Spectra Auto. 10p	66	+4	u2.26	2.2	5.8	11.2
150	F.P.	3/8	140	115	✠Spectrum 5p	132	.....	b3.0	3.5	2.2	18.8
§380	F.P.	10/8	400	378	✠TDS Circuits 5p	398	+2	u4.9	3.5	1.8	23.0
‖	F.P.	—	245	200	✠Telecomputing 10p	245	.....	b1.0	—	0.6	—
§65	F.P.	21/8	58	56	✠Tinsley (Eliza) 5p	58	+1	u2.9	2.4	7.1	6.6
145	F.P.	27/7	155	132	✠Trencherwood 10p	148	+2	bgd4.0	3.9	4.5	7.6

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price	+ or −
£100	£10	—	14½	10½	Cambridge Water 13% Red. Deb. 2004	14½	+2
‖	Nil	28/7	110	101	Cap & Counties 8½% Cnv. Uns.Ln.1999/04	110	+2
‖	Nil	3/7	99½	96	Comfort Int. 7½% Cnv. Uns. Ln. 1997-2001	99	+1
§98.152	£25	22/11	25⅛	22	Marley 11⅞% Deb. 2009	24¼	+2
¶¶	F.P.	13/7	100	95	✠Micro Bus. Sys. 5pc Uns. Ln. 1997	99	.....
—	F.P.	—	100⅛	98½	Nationwide 10¾% 24/6/85	98⅞	+⅛
—	F.P.	—	100¼	99	Do. 11¼% 15/7/85	99⅛	+⅛
—	F.P.	—	100⅛	99⅞	Do. 12¼% 5/8/85	100⅛	+¼
92.689	£30	24/10	30⅝	27	New Zealand 11½% 2014	30⅝	+1⅝
¶¶	F.P.	—	90	77	Polly Peck 6pc Cum. Cnv. Red. Pref.	90	+7
§100	£10	5/9	12¼	10½	Portsmouth Water 13% Red. Deb. 1994	12	+½
‖	F.P.	4/7	102	89	Robinson(Thomas)7%Cum.Cnv.Red.Prf.	89	.....
¶¶	F.P.	5/9	108	103	Saatchi & Saatchi 6% Cnv. Uns.Ln.2015	106	+2
‖	Nil	—	¼pm	¼pm	TR Energy 8% Cnv. Uns. Ln. '97-2001	¼pm	.....
‖	F.P.	3/7	98	95	Tern Grp. 9% Cnv. Cm. Rd. Prf. 87/2000	96	.....
‖	F.P.	6/7	98	96¾	Upton (E.) 10% Cnv. Uns. Ln. 1990	98	+1
§100	£10	27/9	12¼	10½	York Waterworks 13% Red. Deb. 1994	12	+½

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price	+ or −
50	Nil	7/8	32pm	16pm	Anvil Pet. 20p	20pm	.....
A$3.7	Nil	7/9	65pm	46pm	Australia & N.Z. BankingA$1	65pm	.....
‖	Nil	10/8	1½pm	¼pm	Bluemel Bros.	¼pm	−½
A$7.5	A$4	2/5	548	366	Broken Hill PropA$2	412	+16
260	Nil	9/8	82pm	42pm	Brown Shipley £1	82pm	+5
80	F.P.	31/8	106	90	Canning (W.)	106	+12
410	F.P.	17/8	465	400	Cater Allen £1	440	+50
235	F.P.	1/8	273	245	Cookson 50p	58	.....
65	Nil	—	9pm	4½pm	Falon Res. 20p	9pm	+2
255	Nil	—	9pm	2pm	Hill Samuel	9pm	+4
19	F.P.	17/8	23	20	Hyman (I & J) 5p	21½	.....
13	F.P.	2/8	18pm	15pm	Kwahu 10p	16	.....
191	F.P.	29/6	217	183	Ladbroke 10p	208	+16
30	F.P.	13/8	52	41	Marshall's Universal	48	.....
85	F.P.	27/7	95	86	Moss (Robert) 10p	92	+5
126	Nil	30/7	164	145	✠Pict. Petroleum £1	150	+2
A$4	A$2	—	248pm	122pm	Santos A0.25c	228pm	+2
250	F.P.	9/8	340	290	✠Saxon Oil	325	+10
335	F.P.	13/8	392	355	Systems Designers 5p	365	+58
370	Nil	10/8	32pm	9pm	Thorn EMI	32pm	+12
45	F.P.	24/8	55	46	Uniflex 10p	53	+1
375	Nil	10/8	64pm	54pm	Waddington (J)	60pm	.....

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimates. *d* Dividend rate paid or payable on part of capital; cover based on dividend on full capital. *g* Assumed dividend and yield. *u* Forecast dividend cover based on previous year's earnings. C Canadian. F Dividend and yield based on prospectus or other official estimates for 1984. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ■ Allotment letters (or fully-paid). ‖ Introduction. ✠ Unlisted Securities Market. § Placing price. †† Official London Listing. ‡ No par value.

PENDING DIVIDENDS

Dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements except where the forthcoming board meetings (indicated thus*) have been officially notified. Dividends to be declared will not necessarily be at the amounts in the column headed "Announcement last year."

	Date	Announcement last year
*Acrow	Sept 26	Final nil
ANEC	Sept 14	Interim 3.5
Anglo Amer Gold Inv	Sept 1	Interim 500c
A. B. Ports	Sept 15	Interim 3
Associated Dairies	Aug 31	Final 1.75
Automotive Prods	Sept 8	Interim 0.5
BP	Sept 1	Interim 7.0
BTR	Sept 13	Interim 6
Babcock Intl	Aug 31	Interim 3.4
*Bibby (J.)	Aug 15	Interim due
Blue Circle	Aug 25	Interim 6.0
BICC	Sept 7	Interim 3.5
Booker McConnell	Sept 15	Interim 1.65
Bowater	Sept 13	Interim 3.5
British Aerospace	Sept 13	Interim 3.5
Brown Boveri Kent	Sept 7	Interim 1
Burmah Oil	Sept 14	Interim 3.5
Cadbury Schweppes	Sept 1	Interim 1.5
Canning (W.)	Sept 12	Interim 0.5
Charterhouse Group	Sept 1	Interim 2.025
*Commercial Union	Aug 8	Interim 4.85
Consolidated Gold Fids	Sept 13	Final 16
Cons Plants	Sept 2	Final 5 sen
Cookson	Sept 8	Interim 3.7
*Corah	Aug 15	Interim 1.5
Costain	Sept 13	Interim 5.5
Croda Int	Sept 7	Interim 3
*De Beers	Aug 21	Interim 12.5c
Delta	Sept 8	Interim 1.82
*EIS	Sept 3	Interim 1.65
Exco	Sept 6	Interim 3.5
Fleet Hldgs	Sept 13	Final 1.5
*General Accident	Aug 15	Interim 8
*Glynwed	Aug 6	Interim 2.45
GRE	Aug 31	Interim 7.75
*GKN	Aug 7	Interim 4
Hawley	Aug 24	Interim 0.65
Hepworth Ceramic	Sept 8	Interim 2.6
Home Charm	Sept 13	Interim 0.75
*Hongkong and Shanghai Bk	Aug 28	Interim due
Horizon Travel	Aug 17	Interim 0.88
*IMI	Aug 14	Interim 1.5
Invergordon	Sept 12	Interim 1.5
*Kleinwort Benson	Sept 4	Interim 4.5
*Ladbroke	Aug 30	Interim 4.7
Laird	Sept 10	Interim 2.2
Lasmo	Aug 23	Interim due
Legal and General	Sept 14	Interim 6
London Merchant Secs	Sept 13	Final 1.05
Marchwiel	Sept 13	Interim 3
*Marley	Aug 8	Interim 1.2
Morgan Crucible	Sept 1	Interim 3.5
P & O Defd	Sept 7	Interim 4
Pearson	Sept 12	Interim 5
Phoenix Assurance	Sept 7	Interim 7.6
*Property Secs Invest Tst	Aug 8	Final 1.5
Provident Financial	Sept 6	Interim 3
Prudential	Sept 8	Interim 5.5
Queens Moat Houses	Aug 25	Interim 0.665
Raybeck	Aug 25	Final 0.25
Reckitt and Colman	Sept 6	Interim 4.55
*Rentokil	Aug 21	Interim 0.876
*Reuters	Sept 13	Interim due
Royal Dutch Petroleum	Sept 16	Interim Fl3.45
*Royal Insurance	Aug 16	Interim 10.5
Schroders	Sept 8	Interim 0.44
Securicor	Aug 10	Interim 3
Sedgwick	Sept 8	Interim 2.75
Shell Transport	Sept 16	Interim 10.3
Sime Darby	Sept 3	Final 6.8
*Slough Estates	Aug 29	Interim 1.525
*Smith (W.H.)	Aug 22	Interim 1.4
*Smith and Nephew	Aug 14	Final 4.25
Stand Chartd Bank	Aug 23	Interim 9.5
Stewart Wrightson	Sept 6	Interim 3.85
Stock Conversion	Aug 8	Final 3
*STC	Aug 6	Interim 2.75
Sun Alliance	Sept 7	Interim 2.2
Taylor Woodrow	Aug 23	Interim 5.5
*TI	Aug 9	Interim 2.5
Tozer Kemsley & Milbourn	Aug 1	Interim nil
*Turner and Newall	Sept 13	Interim 0.25
*Ultramar	Aug 9	Interim 5
Utd Biscuits	Sept 15	Interim 2.7
*United Newspapers	Sept 25	Interim 5
Vosper	July 14	Interim 2.0
Weir	Aug 30	Interim 0.375
Willis Faber	Sept 13	Interim 8
Woolworth	Sept 14	Interim 7

* Board meeting intimated. † Rights issue since made. ‡ Tax free. § Scrip issue since made. ¶ Forecast.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Doubts about the dollar

BY COLIN MILLHAM

Foreign exchange dealers went home Friday with considerable doubts about how long the downward trend of the dollar would last. There have been several occasions in the past when the dollar has appeared to be over the hill and on a downward slide because of fundamental factors, such as the very large trade deficit.

On Friday the only major reason for the turnround was recent statistics suggesting a possible slow down in U.S. economic growth, a nd at the same time an easing of New York interest rates.

By mid-week the dollar was at its highest for 11½ years against the D-Mark, touching DM 2.9220, a 12½-year peak against the Dutch guilder at DM 3.2970; and all time records of FFr 8.94 in terms of the French franc, and L1,792 against the lira.

The dollar also reached a seven-year high against the Swiss franc at SwFr 2.4730, but the situation then began to change. There was obvious disappointment at the dollar's inability to remain above DM 2.92, and the market soon found other reasons to sell the U.S. currency. Signs of a possible slowing in the very fast rate of U.S. economic growth during the first half of the year were provided by a fall of 0.2 per cent in June construction spending compared with a revised 2 per cent rise in May and a decline of 1.4 per cent in June factory orders against a revised increase of 2.1 per cent in May.

A change in mood was also indicated when the market was prepared to ignore a high Federal funds rate of 12 per cent on Wednesday on the grounds that it was largely technical because of fortnightly make-up for the New York banks.

A larger than expected fall of $1.7bn in weekly U.S. M1 money supply continued the downward trend for the dollar and helped boost sentiment on credit markets in New York and London. This was followed by a surprising rise to 7.5 per cent from 7.1 per cent in July U.S. unemployment.

All these figures not only pointed to a possible easing in the rate of economic growth, but also suggested inflation may be kept under control without the need for higher interest rates.

The dollar finished lower on the week, falling to DM 2.8610 from DM 2.8840; FFr 8.7905 from FFr 8.85; SwFr 2.4060 from SwFr 2.4610; and Y241.80 from Y245.30, but few dealers were prepared to accept that a weaker dollar was here to stay.

£ in New York

	Aug. 3	Prev. close
Spot	$1.3290-3.300	$1.3120-3130
1 month	0.08-0.04 prem	0.07-0.04 pm
3 months	0.08-0.04 prem	0.10-0.09 pm
12 months	1.00-1.15 dis	0.80-0.95 dis

FORWARD RATES AGAINST STERLING

	Spot	1 month	3 month	6 month	12 month
Dollar	1.3276	1.3270	1.3273	1.3302	1.3400
D-Mark	3.795	3.774	3.736	3.687	3.631
French Franc	11.67	11.6656	11.6713	11.731	11.8919
Swiss Franc	3.1925	3.1719	3.1356	3.088	2.9982
Japanese Yen	320.5	318.92	316.12	312.44	306.27

THE POUND SPOT AND FORWARD

Aug 3	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.3125-1.3295	1.3270-1.3280	0.07-0.03c pm	0.45	0.05 pm-par	0.07
Canada	1.7215-1.7365	1.7330-7.7340	0.04-0.15c dis	−0.66	0.29-0.41dis	−0.81
Nethlnd	4.26¾-4.31	4.28-4.29	2¼-1⅞c pm	5.77	6-5⅝ pm	5.42
Belgium	76.70-77.55	76.90-77.00	6-1c pm	0.54	19-12 pm	0.80
Denmark	13.86-13.92	13.90½-13.91½	1.95-0.85ore pm	1.21	3.40-2.30 pm	0.82
Ireland	1.2315-1.2370	1.2340-1.2350	par-0.04p dis	−0.19	0.22-0.29dis	−0.83
W. Ger	3.76½-3.80½	3.79-3.80	2⅛-2pf pm	6.72	6-5⅝ pm	6.13
Portugal	196.30-199.50	197.85-198.80	185-580c dis	−23.48	445-1180dis	−16.41
Spain	215.05-216.20	215.90-216.20	30-60c dis	−2.50	130-160 dis	−2.68
Italy	2324-2340	2334-2336	3-6 lire dis	−2.31	15-18 dis	−2.83
Norway	10.93-10.97	10.96-10.97	0.20-1.22ore dis	−0.78	1.60-2.60dis	−0.77
France	11.61½-11.68¼	11.68½-11.67½	⅞c pm-par	0.45	½ pm-¼ dis	−0.04
Sweden	11.00¾-11.09	11.06-11.07	1-2ore dis	−1.63	4.30-5.35dis	−1.75
Japan	319¼-321½	320-321	1.65-1.51y pm	5.91	4.45-4.31 pm	5.47
Austria	26.65-26.75	26.69-26.72	13-11¼gro pm	5.53	34¼-31¼ pm	4.95
Switz	3.18¾-3.22	3.18¾-3.19¾	2⅛-1⅞c pm	7.75	5⅞-5½ pm	7.13

Belgian rate is for convertible francs. Financial franc 77.75-77.85. Six-month forward dollar 0.22-0.32c dis. 12-month 1.15-1.30c dis.

OTHER CURRENCIES

Aug. 3	£	$		£ Note Rates
Argentina Peso	82.94-83.10	62.65-62.71	Austria	26.55-26.85
Australia Dollar	1.5695-1.5725	1.1875-1.1885	Belgium	77.15-77.95
Brazil Cruzeiro	2,546.0-2,561.2	1,925-1,933	Denmark	13.84-13.98
Finland Markka	7.9830-8.0050	6.0325-6.0375	France	11.58-11.70
Greek Drachma	150.20-150.60	114.35-114.75	Germany	3.77-3.81
Hong Kong Dollar	10.329-10.349	7.8250-7.8350	Italy	2320-2350
Iran Rial	118.60*	90.80*	Japan	320-324
Kuwait Dinar(KD)	0.39460-0.39525	0.29775-0.29805	Netherlands	4.27-4.31
Luxembourg Fr.	76.90-77.00	57.93-57.98	Norway	10.90-11.01
Malaysia Dollar	3.0690-3.0790	2.3275-2.3325	Portugal	193-199
New Zealand Dlr.	2.6430-2.6480	1.9960-2.0000	Spain	208-217½
Saudi Arab. Riyal	4.6505-4.6555	3.5100-3.5110	Sweden	11.00-11.11
Singapore Dollar	2.8315-2.8515	2.1400-2.1450	Switzerland	3.18-3.23
Sth African Rand	2.0580-2.0640	1.5505-1.5550	United States	1.31⅛-1.31⅛
U.A.E. Dirham	4.8650-4.8705	3.6720-3.6730	Yugoslavia	200-212

* Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu August 3	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9008	45.3298	+0.96	+0.91	±1.5447
Danish Krone	8.14104	8.18825	+0.58	+0.53	±1.6425
German D-Mark	2.24184	2.24033	−0.07	−0.12	±1.0642
French Franc	6.87456	6.87560	+0.02	−0.03	±1.4052
Dutch Guilder	2.52595	2.52902	+0.12	+0.07	±1.4964
Irish Punt	0.72569	0.728088	+0.33	+0.28	±1.6699
Italian Lira	1403.49	1376.49	−1.92	−1.92	±4.1505

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

BANK OF ENGLAND TREASURY BILL TENDER

	Aug. 3	July 27		Aug. 3	July 27
Bills on offer	£100m	£100m	Top Accepted rate of discount	11.2903%	11.4313%
Total of applications	£472.59m	£405m	Average rate of discount	11.2564%	11.3650%
Total allocated	£100m	£100m	Average yield	11.05%	11.70%
Minimum accepted bid	£97.185	£97.15	Amount on offer at next tender	£100m	£100m
Allotment at minimum level	24%	5%			

THE DOLLAR SPOT AND FORWARD

Aug 3	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.3125-1.3295	1.3270-1.3280	0.07-0.03c pm	0.45	0.05 pm-par	0.07
Ireland†	1.0645-1.0775	1.0740-1.0750	0.10-0.04c pm	0.78	0.45-0.35 pm	1.49
Canada	1.3070-1.3115	1.3070-1.3075	0.10-0.120c dis	−1.01	0.29-0.32dis	−0.93
Nethlnd.	3.2305-3.2585	3.2305-3.2325	1.46-1.42c pm	5.31	4.24-4.19 pm	5.18
Belgium	57.90-58.40	57.93-57.98	2c pm-par	0.21	9-6 pm	0.52
Denmark	10.45⅛-10.54½	10.45½-10.46¼	0.90-0.40ore pm	0.74	2.00-1.50 pm	0.67
W. Ger	2.8540-2.8915	2.8605-2.8615	1.51-1.46pf pm	6.22	4.30-4.25 pm	5.97
Portugal	149¾-151	149¾-150	150-450c dis	−24.04	350-900dis	−16.70
Spain	162.75-163.65	163.00-163.10	38-53c dis	−3.35	115-145 dis	−3.19
Italy	1758-1773½	1759½-1760½	3¾-4¼ lire dis	−2.72	12½-13½ dis	−2.95
Norway	8.25-8.33¾	8.25-8.25½	0.60-1.10ore dis	−1.23	1.65-2.15dis	−0.92
France	8.7600-8.8745	8.7880-8.7930	0.05c pm-0.15 dis	−0.07	0.20-0.50dis	−0.16
Sweden	8.32-8.37½	8.32-8.32½	1.20-1.70ore dis	−2.09	3.70-4.20dis	−1.90
Japan	240.30-244.10	241.75-241.85	1.18-1.08y pm	5.61	3.35-3.25 pm	5.46
Austria	20.05-20.26	20.10-20.11	8½-7½gro pm	4.78	24¼-22¼ pm	4.63
Swit	2.4000-2.4455	2.4055-2.4065	1.50-1.44c pm	7.30	4.24-4.18 pm	6.97

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 58.55-58.65.

CURRENCY MOVEMENTS

Aug 3	Bank of England Index	Morgan Guaranty Changes%
Sterling	78.8	−11.7
U.S. dollar	136.3	+25.6
Canadian dollar	89.8	−3.4
Austrian schilling	114.3	+3.9
Belgian franc	89.7	−11.0
Danish Kroner	77.4	−6.5
Deutsche mark	124.0	+7.4
Swiss franc	141.7	+8.5
Guilder	113.4	+3.9
French franc	65.5	−15.6
Lira	48.1	−12.9
Yen	154.6	+11.4

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

Aug. 3	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.770152	0.589517
U.S. $	9	1.01660	0.760876
Canadian $	12.65	*	1.02177
Austria Sch	4½	20.5801	15.7268
Belgian Fr	11	59.2608	45.3298
Danish Kr.	7	10.7150	8.18825
D'mark	4½	2.93106	2.24033
Guilder	5	3.30243	2.52902
French Fr.	9½	8.97160	6.87560
Lira	15½	1801.48	1376.49
Yen	5	248.152	189.557
Norwgn Kr.	8	8.44083	6.45900
Spanish Pta.	—	166.163	127.322
Swedish Kr.	9	8.51199	6.51718
Swiss Fr.	4	2.47461	1.88870
Greek Drch	20½	N/A	88.8167
Irish Punt	12¾	N/A	0.728088

*CS/SDR rate for August 2: 1.32186.

EXCHANGE CROSS RATES

Aug. 3	Pound Sterling	U.S. Dollar	Deutsche m'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.328	3.795	320.5	11.67	3.193	4.285	2335.	1.734	76.95
U.S. Dollar	0.753	1.	2.861	241.6	8.871	2.406	3.233	1760.	1.307	57.96
Deutschemark	0.264	0.350	1.	84.45	3.075	0.841	1.129	615.3	0.457	20.28
Japanese Yen 1,000	3.120	4.142	11.84	1000.	36.41	9.961	13.37	7285.	5.409	240.1
French Franc 10	0.857	1.138	3.252	274.6	10.	2.736	3.672	2001	1.485	65.94
Swiss Franc	0.313	0.416	1.189	100.4	3.655	1.	1.342	731.4	0.543	24.10
Dutch Guilder	0.233	0.310	0.886	74.80	2.723	0.745	1.	544.9	0.405	17.91
Italian Lira 1,000	0.428	0.569	1.625	137.3	4.998	1.367	1.835	1000.	0.742	32.86
Canadian Dollar	0.577	0.766	2.189	184.8	6.732	1.842	2.472	1347.	1.	44.39
Belgian Franc 100	1.300	1.725	4.933	416.5	15.17	4.149	5.569	3034.	2.253	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Aug. 3	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Kroner
Short term	[illegible]	[illegible]	[illegible]	[illegible]	1¼-2	[illegible]	11-11¼	14-16	[illegible]	[illegible]	6-6⅛	11-11¼
7 days' notice	12⅛-12¼	11⅜-11½	12⅛-12⅝	5⅞-6⅛	2¼-2½	5¼-5⅜	11⅛-11⅜	13⅝-14⅝	11¼-11⅝	11⅛-11¾	6-6⅛	11⅛-11⅜
Month	12⅛-12¼	11⅝-11½	12⅛-12⅝	6⅛-6⅜	4⅛-4⅜	5⅝-5¾	11¼-11½	14-14½	11¼-11⅝	11⅛-11¾	6⅛-6¼	11⅛-11⅜
Three months	11⅞-11⅞	11⅝-11¾	12⅛-12⅜	6⅛-6⅜	4⅜-4⅜	5¾-5⅞	11¾-12	14½-15	11¼-11¾	11⅜-11⅝	6¼-6⅜	11¼-11¾
Six months	11¾-11⅞	11⅞-12	12½-13⅛	6⅛-6⅜	4⅜-4⅜	6⅛-6¼	12⅝-12⅞	15⅛-15⅞	11½-12	11½-11¾	6⅜-6½	11⅝-11⅞
One year	11⅞-11⅞	12¼-12⅜	13-13¼	6⅞-7	4⅜-4⅜	6⅝-6⅞	13⅜-13⅝	15⅛-15⅝	11¾-12¼	11⅝-11⅞	6⅝-6⅞	11⅞-12⅛

Asian $ (closing rates in Singapore): Short-term 11⅞-11⅝ per cent; seven days 11⅞-11⅝ per cent; one month 11⅞-11⅝ per cent; three months 11⅞-11⅞ per cent; six months 12⅛-12⅛ per cent; one year 12⅛-12⅜ per cent. Long-term Eurodollars: two years 13⅛-13½ per cent; three years 13½-13⅝ per cent; four years 13⅝-13⅞ per cent; five years 13⅝-13⅞ per cent nominal closing rate. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

FINANCIAL FUTURES

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
Sept	88.51	88.58	88.49	88.30
Dec	88.19	88.30	88.02	87.93
March	87.87	87.89	87.73	87.55
June	87.64	87.64	87.49	87.28
Sept	87.50	87.50	87.40	87.09

Est volume 7,020 (3,700)
Previous day's open int 12,853 (12,879)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
Sept	88.75	88.82	88.55	88.49
Dec	89.02	89.10	88.85	88.76
March*	88.87	89.00	88.71	88.59
June*	88.77	88.77	88.77	88.43

Est volume 1,830 (1,553)
Previous day's open int 8,880 (9,202)
*£500,000 points of 100%

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
Sept	102-30	103-03	101-28	101-09
Dec	102-04	102-04	101-14	100-12
March	101-14	—	—	99-26
June	100-23	—	—	99-08

Est volume 4,882 (5,217)
Previous day's open int 4,975 (5,337)
Basis quote (clean cash price of 13¼% Treasury 2003 less equivalent price of near futures contract) par—08 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
Sept	1.3225	1.3290	1.3136	1.3132
Dec	1.3235	1.3280	1.3235	1.3137
March	1.3267	1.3267	1.3267	1.3167

Est volume 324 (312)
Previous day's open int 3,805 (2,973)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
Sept	0.3503	0.3520	0.3490	0.3482
Dec	0.3553	—	—	0.3532

Est volume 67 (51)
Previous day's open int 311 (312)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
Sept	0.4167	0.4167	0.4132	0.4110
Dec	0.4239	—	—	0.4182

Est volume 1 (50)
Previous day's open int 2,227 (2,267)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
Sept	0.4143	0.4158	0.4128	0.4108
Dec	0.4206	—	—	0.4165

Est volume 4 (23)
Previous day's open int 187 (188)

FT-SE 100 INDEX £25 per full index point

	Close	High	Low	Prev
Sept	105.70	106.40	104.60	103.40
Dec	105.70	105.70	105.00	103.35
March	105.85	—	—	103.55

Est volume 497 (826)
Previous day's open int 942 (1,005)

U.S. TREASURY BONDS 8% $100,000 32nds of 100%

	Close	High	Low	Prev
Sept	65-30	66-25	65-22	65-09
Dec	65-11	65-27	65-08	64-22
March	64-26	—	—	64-05

Est volume 2,550 (1,120)
Previous day's open int 1,061 (1,105)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Close	High	Low	Prev
Sept	65-31	66-07	65-20	65-06
Dec	65-12	65-19	65-02	64-19
March	64-29	65-03	64-19	64-04
June	64-17	64-21	64-08	63-24
Sept	64-03	64-14	64-00	63-15
Dec	64-00	64-02	63-24	63-07
March	63-25	63-27	63-17	63-00
June	63-19	63-20	63-12	62-26

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Close	High	Low	Prev
Sept	89.56	89.62	89.42	89.39
Dec	89.19	89.21	89.11	89.01
March	88.89	88.93	88.83	88.65
June	88.64	88.74	88.63	88.39
Sept	88.45	88.50	88.31	88.19
Dec	88.30	88.35	88.26	88.05
March	88.18	88.19	88.17	87.91
June	88.07	88.07	—	87.84

CERT. DEPOSIT (IMM) $1m points of 100%

	Close	High	Low	Prev
Sept	88.66	88.73	88.61	88.45
Dec	88.17	88.30	88.16	87.94
March	87.96	88.09	87.95	87.73
June	87.70	87.81	87.63	87.46

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Close	High	Low	Prev
Sept	88.78	88.90	88.75	88.54
Dec	87.86	88.02	87.82	87.61
March	87.53	87.65	87.48	87.26
June	87.27	87.40	87.21	86.99
Sept	87.05	87.16	87.05	86.79
Dec	86.88	86.92	86.82	86.62

STERLING (IMM) $ per £

	Close	High	Low	Prev
Sept	1.3335	1.3380	1.3210	1.3120
Dec	1.3355	1.3380	1.3220	1.3130
March	1.3380	1.3400	1.3230	1.3150

GNMA (CBT) 8% $100,000 32nds of 100%

	Close	High	Low	Prev
Sept	67-04	67-13	66-28	66-21
Dec	66-06	66-07	65-31	65-22
March	65-08	65-09	65-02	64-24
June	64-15	—	—	64-00
Sept	63-29	63-30	63-25	63-14
Dec	63-15	—	—	63-00
March	—	—	—	—
June	62-28	—	—	62-13

WEEKLY CHANGE IN WORLD INTEREST RATES

	Aug. 3	change		Aug. 3	change
LONDON			**NEW YORK**		
Base rates	12	Unch'd	Prime rates	13	Unch'd
7 day interbank	12 5/32	−5/32	Federal funds	11 1/16	+¼
3 mth interbank	12	−1/16	3 Mth. Treasury Bills	10.46	+0.21
Treasury Bill Tender	11.2564	−0.1086	6 Mth. Treasury Bills	10.59	+0.12
Band 1 Bills	12	Unch'd	3 Mth. C D	11.30	Unch'd
Band 2 Bills	11⅞	Unch'd	**FRANKFURT**		
Band 3 Bills	11¾	Unch'd	Lombard	5.50	Unch'd
3 Mth. Treasury Bills	11⅝	−¼	One Mth. Interbank	5.875	−0.05
1 Mth. Bank Bills	11⅞	−1/32	Three month	6.075	+0.025
3 Mth. Bank Bills	11½	−⅛	**PARIS**		
TOKYO			Intervention Rate	11¼	Unch'd
One month Bills	6.21875	+0.0625	One Mth. Interbank	11 7/16	Unch'd
Three month Bills	6.34375	Unch'd	Three month	11 9/16	Unch'd
BRUSSELS			**MILAN**		
One month	11½	−1/32	One month	16 1/16	Unch'd
Three month	11½	−0.03125	Three month	16 1/16	−⅛
AMSTERDAM			**DUBLIN**		
One month	6⅛	Unch'd	One month	12¾	+⅛
Three month	6⅜	Unch'd	Three month	13⅝	+¼

London—band 1 bills mature in up to 14 days, band 2 bills 15 to 33 days, and band 3 bills 34 to 63 days. Rates quoted represent Bank of England buying or selling rates with the money market. In other centres rates are generally deposit rates in the domestic money market and their respective changes during the week. Band 4 bills 11⅝.

MONEY MARKETS

London rates helped by sterling

Interest rates showed a steady decline on the London money market last week, apart from Monday when dealers seemed more than a little concerned about the fall of the pound against the dollar. On Monday morning the yield structure changed suddenly, and at one time the downward sloping yield curve changed to an upward sloping curve as rates in the interbank market between six months and one year rose sharply. The structure finished the day roughly flat at around 12⅜ per cent for rates between one month and one year, and remained that way on Tuesday, despite further concern about sterling's near record low against the dollar.

On Wednesday the pound did hit a record low, but by then the money market had come to regard it as more a case of dollar strength rather than a weak pound, and decided that without higher world oil prices or a break through in the miners' strike there was little that could be done. Simply putting up base rates again was not the answer.

There was also a feeling in the market that the Government would be very reluctant to see another increase in base rates, and may prefer to see the pound lose ground providing it holds its position against other major currencies.

By Wednesday afternoon the dollar was already beginning to show signs of turning and this helped to consolidate the growing confidence in the market. As sterling held above $1.30 on Thursday London money market rates continued to ease, and by noon on Friday the pound was 2½ cents above the week's low and the downward sloping yield curve was once again well established in the interbank market. At Friday's close the pound was around its highest level of the week, and three-month interbank fell 1/16 per cent on the week to 12 per cent.

The only concern in the market centred around a possible rise in German interest rates at this week's Bundesbank council meeting. This may put increased pressure on other European rates, and change sterling's position against Continental currencies.

MONEY RATES

Aug. 3	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.50-5.60	11	2-3	5⅞-6	6.15625	16¼-16⅝	11.95	12⅛-12⅝
One month	5.80-5.95	11⅝-11⅞	4 1/16-4 3/16	6 1/16-6 3/16	6.21875	16¼-16⅝	11⅜-11⅝	12⅝-12⅞
Two months	5.85-6.00	11 7/16-11 11/16	—	—	—	—	—	13⅛-13⅜
Three months	6.00-6.15	11⅝-11¾	4 11/16-4 13/16	6 3/16-6 5/16	6.34375	16½-16⅞	11⅜-11⅝	13⅛-13⅜
Six months	6.30-6.45	11⅞-12	—	6¾-6⅞	—	—	11½-11¾	13⅞-14⅛
Lombard	5.5	—	—	—	—	—	—	—
Intervention	—	11¼	—	5¾	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Aug. 3 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	8-12⅜	12	12¼-12½	8¼-12⅛	—	—	—	—	—
2 days notice	—	—	12-12¼	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	12 12 1/16	12⅛	12¼-12½	12	—	—	—	—	—
One month	12¼ 12⅛	12⅛-12 5/16	12¼	12⅝-12½	12	11⅞	11 13/16	11⅞	11 13/16	12½
Two months	12-11⅞	11 15/16-12 1/16	12⅛	12¼-12⅛	11¾	11 11/16	11 11/16	11 13/16	11 11/16	12 1/16
Three months	11⅞-11¾	11⅝-12⅛	12	12⅛	11½	11⅜	11¼	11½	11 7/16	12⅛
Six months	11½-11⅜	11⅝ 11 11/16	11¾	—	—	—	—	11	10 15/16	11⅝
Nine months	11⅜ 11¼	11⅝-11 11/16	—	—	—	—	—	—	—	—
One year	11 11/16-11 9/16	11 9/16-11⅝	11⅝	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	12⅝-12⅜	—	12¼	11.5-11.4	9 11/16-9 9/16	9¼-9⅛
Two months	12⅝-12⅜	—	12⅛	11.55-11.45	9⅞-10⅛	9⅞-9⅝
Three months	12⅜-12	—	11 15/16	11.4-11.5	9 15/16-10 1/16	9⅜-9 11/16
Six months	11¾-11⅝	—	11⅝	11.75-11.85	10¼-10½	10-10 3/16
Nine months	11⅝-11½	—	11¾	12-12.15	—	—
One year	11½-11⅜	—	11¾	12.15-12.25	10 5/16-10 9/16	10⅜-10 9/16
Two years	—	12¼	—	—	—	—
Three years	—	12⅜	—	—	—	—
Four years	—	12⅝	—	—	—	—
Five years	—	13⅝	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV: Average Rate of Interest period June 6 to July 3 1984 (inclusive): 9.488 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 10½ per cent from August 1 1984. London and Scottish Clearing Bank Rates for lending 12 per cent. London Deposit Rate for sums at seven days' notice 8¾-9 per cent. Treasury Bills: Average tender rates of discount 11.2564 per cent. Certificates of Tax Deposit (Series 6). Deposit of £100,000 and over held under one month 12¾ per cent; one-three months 12¾ per cent; three-six months 12¾ per cent; six-nine months 12¾ per cent; nine-12 months 12¾ per cent. Under £100,000 11¾ per cent from July 23. Deposits held under Series 4-5 12¾ per cent. The rate for all deposits withdrawn for cash 8 per cent.

MONEY RATES

NEW YORK (4 pm)

Prime rate	13
Broker loan rate	12¼-12½
Fed funds	11 5/16
No fed intervention	(—)

Treasury Bills

One month	9.85
Two month	10.12
Three month	10.45
Six month	10.62
One year	10.66

Treasury Bonds

Two year	100 23/32
Three year	100 7/32
Four year	103 13/32
Five year	104⅞
Seven year	105 1/16
10 year	102 23/32
20 year	105⅝

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING (11.00 a.m. August 3)

3 months U.S. dollars

bid 11 5/8	offer 11 3/4

6 months U.S. dollars

bid 11 15/16	offer 12 1/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

Appointments

Closing prices, August 3

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
21½	13⅞	AAR	.48	2.1	24	168	u23⅞	21½	23⅞	+1⅞
22	13½	AMCA	n1	7.2		10	13⅝	13⅝	13⅝	+⅛
18⅝	13⅛	AMF	.50	3.0	150	1161	16⅝	16⅜	16½	+¼
41¾	24¼	AMR Cp			4	12903	30¾	29⅝	30⅝	+⅞
20⅛	17⅞	AMR	pf2.18	11.		15	19⅜	19¼	19¼	−⅛
41½	27½	AMR	pf2.13	6.5		870	33¼	32	32⅞	+⅞
25½	23	ANR	pf2.67	11		1	23⅞	23⅜	23⅜	+¼
16¾	8½	APL			4	132	10	9	10	+1⅛
55⅞	40¾	ARA	2.10	4.3	10	1856	50¼	49	49¾	
71½	44⅜	ASA	3a	5.5		1150	54½	52⅝	54¼	+3⅞
30¾	16½	AVX	.32	1.4	14	617	23¼	22½	22⅞	+⅜
53⅞	38¼	AbtLab	1.20	2.6	15	4961	46⅞	45⅝	46¼	+½
30¾	23¾	AccoWd	.60	2.0	17	291	30	29½	29¾	
27¼	12½	AcmeC	.40	2.9		178	14⅛	13¾	14	+⅝
12⅛	8¼	AcmeE	.32b	3.6	25	62	9⅛	9	9	+⅛
24⅞	11	AdmDg	.04	.3	9	117	15½	15	15⅜	+½
18¾	15	AdaEx	2.11e	13		226	16	15⅝	15⅞	+⅝
19¾	11⅞	AdmMl	.28	2.0	15	61	14⅛	13½	14	+½
22	13½	AdvSys	.811	4.8	17	345	16⅞	16½	16⅞	+⅜
17⅜	7⅞	Advest	.12	1.1		658	11¼	10¾	11¼	+1⅜
37½	25⅛	AMD			20	24560	36⅞	33¼	35¾	+3⅜
21¾	9⅝	Aeriflex			11	150	12⅛	11⅞	12	+⅛
39	27¼	AetnLf	2.64	7.9	31	4729	33⅞	33¼	33½	+¼
58¾	54	AetL	pf5.48e	9.7		901	58½	56	58½	+⅛
34½	15¾	Ahmns	1.20	5.6	5	2339	23⅝	21⅞	21½	
7	2⅝	Aileen				167	3⅛	3⅛	3⅛	
51	38½	AirPrd	1	2.2	10	2161	45¾	44½	45⅜	+1¼
30⅞	13	AirbFrt	.60	3.5	9	1020	17	15¾	17	+2¼

Section headings in the listing: B-B-B, C-C-C, D-D-D, E-E-E, F-F-F, G-G-G, H-H-H, I-I-I, J-J-J, K-K-K, L-L-L, M-M-M, N-N-N, O-O-O

Continued on Page 15

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Closing prices, August 3

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
3 3/4	1 1/4	AICPh				23	1 1/2	1 1/2	1 1/2	+ 1/4
15 3/4	8 1/4	ALLab	n		12	10	9 1/8	8 3/4	9 1/8	+ 1/8
6 1/8	2 1/8	yVAMin				170	2 1/4	1/2	3/8	
4 1/8	1/4	ATI				4	15-16	15-16	15-16	-1-16
67 1/2	58	ATTFd	n3.68e	5.4		324	u68 1/2	67 1/4	67 3/4	+ 1/2
8 1/2	2 1/8	AcmePr				10	3	3	3	+ 1/4
19 1/2	10 1/2	AcmeUn	.32	2.8	12	60	11 1/2	11	11 1/2	+ 1/2
16 3/4	8 3/4	Action			11	434	15 3/8	14 1/2	15 1/4	+ 1 1/4
9 3/4	5 1/8	Actons				117	6 1/8	5 7/8	6	- 1/4
4 1/4	3/4	Acto	.m			18	1 1/8	1	1 1/8	+ 1/8
8 3/4	2 1/4	AdmRs			5	41	2 3/4	2 5/8	2 1/2	- 1/8
27 1/8	15 3/4	AdRusl	a.10	.5	17	81	20 1/4	19 3/8	20 1/4	+ 3/4
27 3/4	15	Adobe	.24	1.4	12	376	17	15 3/4	17	+ 1 1/8
6 3/8	3 3/8	AegisCp			14	12	4 1/4	4 1/8	4 1/8	- 1/8
6 3/8	4	Aeronca			7	277	5 1/2	5 1/4	5 1/2	+ 1/8
29 1/2	18 3/4	AfilHsp	.44	2.1	8	17	21	20 3/8	21	+ 3/4
47	38 1/4	AfilPub	.80	1.8	14	131	44 1/4	43 7/8	44	+ 1/4
15 3/4	8 5/8	AfilSk	.12e	.8	10	150	14 3/8	14 1/2	14 1/2	- 1/8
8 3/8	5 3/8	AirExp			33	190	8 1/4	8 1/4	8 3/8	+ 1/2
5 3/8	3 1/4	Alamco			7	136	3 1/4	3 3/8	3 1/4	
17 1/8	8 1/4	AlbaW	.15e	1.6	6	115	9 5/8	9 1/4	9 1/2	
9	2 3/4	AlnTre				1	2 3/4	2 1/4	2 1/4	
9 3/4	5 7/8	Alcha	.48r	5.8	2	44	8 1/2	8 1/4	8 1/2	+ 1/4
22 7/8	12 3/4	Alphaln	.05	.3	20	60	16 1/4	16	16 1/8	+ 1/8
2 1/8	1/4	Altex				162	3/8	1/4	3/8	
35	28 7/8	Alcoa	pf3.75	12.		z100	31 1/4	31 1/2	31 1/4	+ 1/4
30 3/8	11	AlzaCp			47	348	14 5/8	13 5/8	14	+ 1/8
29 1/4	9 1/2	Amdahl	.20	1.6	14	6356	12 3/4	11 1/2	12 1/4	+ 7/8
23	7 1/8	Amedco	.08	.7	12	386	11	10 3/8	10 3/4	+ 1 1/8
7 1/8	4 1/4	AmBilt	.15	2.8	9	95	5 3/8	5	5 3/8	+ 1/8
8 1/2	2 3/4	AmCap				69	6 5/8	6 1/2	6 5/8	+ 1/2
38 1/2	30	ACoanl	.92	2.5	10	2	37 1/2	37 1/2	37 1/2	+ 1/8
38 1/2	12 1/4	AExp	wt			949	19 3/4	18 1/4	19 1/4	+ 2 5/8
9 3/4	4	Alsrael			8	104	6 1/8	5 3/4	6 1/8	+ 1/2
18 3/8	14 1/4	AMzeA	.52	2.7	8	112	u19 3/8	18 3/4	19 1/4	+ 3/8
17 3/8	14 1/4	AMzeB	.52	3.0	7	31	u17 3/8	17 1/2	17 3/8	+ 1/4
13	1/2	AMBld	v			96	1/4	1/8	1/4	+1-16
11 7/8	5 3/8	AmOil			21	32	6 1/8	5 7/8	6	
84 1/4	53	AmPetf	3.20	5.6	9	8	57 1/2	57	57 1/8	+ 1/8
8 1/2	1 1/4	AmPin	v		9	10	1 7/8	1 7/8	1 7/8	+ 1/8
24	14 1/4	APrec	.28	1.1	22	21	u25	24 1/8	24 1/2	+ 1/2
[illegible]										

Continued on Page 16

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 14

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										
21 1/4	9 1/4	WolvrW	.48	4.3	16	194	11 1/8	11 1/8	11 1/8	- 1/4
29 1/2	18 1/8	WoodPt	.72	3.6	17	692	20	19 3/4	19 3/4	- 1/4
39 3/8	28 7/8	Wolwth	1.80	4.8	10	2485	37 5/8	36 5/8	37 1/8	+ 1/8
54 5/8	42 1/2	Wolw	pf2.20	4.2		4	53	52 1/4	52 1/4	+ 1/4
5 7/8	4	WrldAr				42	4 1/8	4 1/4	4 1/4	
57 1/4	45	Wrigly	1.80	3.2	10	21	56 5/8	56 1/4	56 1/4	- 1/4
8 3/8	3 1/4	Wurltzr			88	64	4 1/2	4 1/4	4 3/8	+ 1/4
25 1/4	10 1/4	WyleLb	.32	2.0	12	949	15 7/8	14 1/4	15 7/8	+ 2
21	16 1/2	Wynns	.60	3.3	9	245	18 1/2	18	18 1/8	- 1/8

Continued on Page 16

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

OVER-THE-COUNTER

Nasdaq national market. Closing prices, August 3

[illegible]

Continued on Page 17

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 15

[illegible]

CANADA

[illegible]

MONTREAL

Closing prices August 3

[illegible]

DENMARK

[illegible]

FRANCE

[illegible]

GERMANY

[illegible]

AUSTRIA

[illegible]

BELGIUM/LUXEMBOURG

[illegible]

NETHERLANDS

[illegible]

ITALY

[illegible]

NORWAY

[illegible]

JAPAN

[illegible]

SWEDEN

[illegible]

SOUTH AFRICA

[illegible]

HONG KONG

1984 High	Low	Aug. 3	Price H.K.$
29.7	17.8	Bank East Asia...	18.9
10.6	6.15	Cheung Kong ..	8.05
14.5	9.95	China Light... .	12
2.97	1.65	Hang Lung Devel	1.94
47.0	26.9	Hang Seng Bank	32
7.4	5.05	HK Electric	5.85
4.7	2.75	HK Kowloon Wh.	3.35
4.3	2.08	HK Land . .	2.67
7.76	5.2	HK Shanghai Bk.	6.55
49	35.5	HK Telephone...	41
15.5	8.4	Hutchison Wpa..	10.50
14.3	5.8	Jardine Math	7.1
4.02	2.25	New World Dev..	2.82
2.87	1.95	Orient O'seas	2.25
4.0	2.02	O'seas Trust Bk..	2.95
8.3	4.12	SHK Props........	5.5
21.0	12.9	Swire Pac A. ..	16
4.2	2.65	Wheel'k Mard A.	3.15
2.3	1.84	Wheel'k Maritme	1.9
2.6	1.46	World Int. H'ldgs	1.87

AUSTRALIA

1984 High	Low	Aug. 3	Price Aust. $
5.95	4.27	ANZ Group.........	4.78
1.80	1.45	Acrow Aust	1.55
0.90	0.50	Alliance Oil D.....	0.63
2.11	1.40	Ampol Pet.	1.75
1.95	1.65	Aust Cons Ind ...	1.89
3.10	2.35	Aust Guarant	2.90
2.75	1.90	Aust Nat Inds ...	2.3
2.46	1.80	Aust Paper.........	2.35
6.40	3.90	Bell Group. .	4.4
1.62	1.20	Bond Corp Hldgs	1.4
3.65	3.02	Boral	3.58
2.72	1.42	Bl'ville Copper ...	1.6
3.38	2.50	Brambles Inds ...	3.2
3.62	2.70	Bridge Oil	2.78
12.16	9.24	BHP..................	10.15
6.20	4.46	CRA.................	5
4.28	2.96	CSR	3.28
4.56	3.82	Carlton & Utd.....	4.30
8.56	4.08	CastlemaineTys..	4.55
4.15	3.30	Coles (G.J.)	3.95
3.22	2.15	Comalco "A"	2.45
1.30	0.41	Consolidated Pet	0.52
1.40	1.10	Costain Aust......	1.40
1.75	1.45	Dunlop Aust.	1.76
6.40	4.25	E.Z. Inds.	6.14
4.56	3.50	Elders IXL..........	4
1.80	1.30	Energy Res........	1.58
2.30	1.85	Gen Prop Trust...	2.18
3.95	2.88	Hardie (J.)...	3.4
3.3	1.90	Hartogen Energy	2.1
3.75	2.95	HeraldW'y Times	3.75
2.35	1.76	ICI Aust............	2.12
0.38	0.18	Jimb'lana(50cFP	0.3
0.20	0.11	Kiaora Gold.......	0.13
5.06	4.46	Lend Lease........	5.10
3.98	2.5	MIM......	2.75
2.90	2.12	Mayne Nickless...	2.9
1.20	0.37	Meekatharra	0.48
2.15	1.59	Myer Emp.........	1.87
3.92	3.00	Nat. Com. Bk. ...	3.39
12.80	8.0	News................	9.86
4.18	2.45	Nicholas Kiwi	4.18
3.32	2.05	North Bkn Hill....	2.28
1.11	0.70	Oakbridge.........	0.85
0.78	0.40	Otter Expl.........	0.48
1.48	0.95	Pancont'l	1.18
2.09	1.1	PioneerConc	1.66
1.19	0.94	Queensland Coal	1.19
2.85	2.4	Reckitt & Coln....	2.8
1.40	1.01	Repco...............	1.18
8.20	5.48	Santos	5.62
4.40	3.20	Smith (H.).........	3.65
0.45	0.26	Southland Min'g.	0.32
0.49	0.30	Spargos Expl	0.49
2.48	1.53	Thos Natwide.....	1.96
5.5	4.98	Tooth	5.50
3.90	2.66	Vamgas..	3.28
4.45	2.85	Western Mining.	3.2
4.03	3.38	Westpac	3.93
1.35	0.93	Woodside Petrol.	1.14
2.80	2.2	Woolworths.......	2.58
3.47	2.50	Wormald Intl......	2.98

SINGAPORE

1984 High	Low	Aug. 3	price $
3.14	1.94	Boustead Hldgs..	2.39
5.20	2.92	Cold Storage......	3.6
10.70	7.75	DBS................	8.65
6.90	4.96	Fraser & Neave...	5.8
6.00	4.62	Genting	5.55
2.91	2.00	Haw Par. Bros ..	2.41
3.65	2.56	Inchcape Bhd. ..	2.94
3.66	2.00	Keppel Shipyard	2.31
10.40	8.05	Malay Banking...	8.95
7.10	6.4	Malay Brew........	6.85
2.27	1.09	Multi Purpose	1.25
11.80	9.15	OCBC...............	10
4.90	3.94	OUB....	4.28
2.87	1.91	SimeDarby....... ..	2.24
1.98	1.39	Straits St'mship.	1.59
6.95	4.88	Straits Trdg	5.45
5.90	4.30	UOB......	4.98

SWITZERLAND

1984 High	Low	Aug 3	price Frs.
928	660	Alusuisse......	715
4,590	3,360	Bank Leu	3,450
1,580	1,240	Brown Boveri......	1,300
2,385	2,085	Ciba Geigy	2,350
2,190	1,655	do. (Part Certs).	1,775
2,395	2,040	Credit Suisse......	2,115
2,820	2,290	Elektrowatt.........	2,300
748	590	Fischer (Geo)......	612
4,300	3,400	Genevoise	3,400
112,250	90,000	Hoff-RochePtCts	93,000
10,900	9,000	Hoff-Roche 1/10.	9,300
6,825	5,725	Jacobs Suchard..	6,300
1,925	1,700	Jelmoli	1,760
1,600	1,290	Landis & Gyr.......	1,365
5,500	4,665	Nestle...............	5,400
1,545	1,030	Oer-Buehrle	1,180
260	245	Pirelli	249.5
7,600	6,450	Sandoz (Br)	7,150
1,226	940	Sandoz (Pt Cts) .	1,040
600	460	Schindler (PtCts)	580
1,100	900	Swissair	952
365	309	Swiss Bank	320
8,350	7,050	Swiss Reinsce.....	7,350
1,590	1,320	Swiss Volksbk....	1,350
3,650	3,150	Union Bank.......	3,235
3,270	2,770	Winterthur.........	2,800
18,900	16,560	Zurich Ins.........	16,750

SPAIN

1984 High	Low	Aug. 3	Price Pta %
358	252	Bco Bilbao.........	358
360	278	Bco Central..	360
212	193	Bco Exterior.......	212
264	209	Bco Hispano ...	264
347	267	Bco Santander ...	347
425	314	Bco Vizcaya	425
172	120	Dragados..........	163
[illegible]	[illegible]	[illegible]	[illegible]

NOTES:—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

NEW YORK CLOSING PRICES

Continued from Page 15

[illegible]

OVER-THE-COUNTER

Continued from Page 16

Stock	Sales (Hnds)	High	Low	Last	Chng
[illegible]					
Rockwor	92	10¾	10⅝	10¾	+⅛
Rouse .92	642	34	33¼	33½	+⅝
RoyBGp	174	3	2¾	2¾	−⅛
RoylRs	82	10¼	10	10¼	+¼
RyanFa	880	20½	19¾	20½	+1¼
S—S					
SCI Sy s	3182	17¼	16⅛	17	+⅝
SEI	421	15¼	14⅝	15½	+¾
SFE .10r	160	15¼	14½	15¼	+⅝
SP Drug t	186	11½	11	11½	+⅜
SRI s .68	182	14½	13½	14½	+1
Safecrd	233	8¼	7½	8	+½
[illegible]					
Tandon	20485	10	9	9⅝	+⅛
TcCom	20	9	8¾	9	
TlcmA 1	1426	19⅝	19	19⅝	+⅝
TelPlu s	3583	10½	9⅝	10½	
Telecrd .28	563	19½	19	19¼	−⅛
Telepict	536	16⅞	15½	16¼	+⅛
Telvid	4060	5⅞	4½	5½	+⅞
Telabs s	5053	17¼	17	17¼	+¼
Telxon .01e	292	11¼	10⅝	11	+¼
Temco	42	6	5¼	6	+⅛
TermD s	78	13¼	13	13	
Tesdata	15	3	2⅞	2⅞	
TexFdl 1	5	40	40	40	−¼
[illegible]					
X—Y—Z					
Xebec s	2383	11¼	10½	11	+¼
Xicor	1961	13⅞	12	13½	+1⅝
Xidex s	3925	18½	16½	18¼	+2¼
YlowFt 1	2984	29½	28	29¼	+1½
ZenLbB	209	16½	15¼	16¼	+¼
Zentec	55	3¼	3¼	3¼	+¼
Ziegler .44a	88	11	10	11	+1
Zitel	168	6½	6	6½	
Ziyad	885	11¼	10½	10¾	−¼
Zondvn .34	700	14⅝	13¼	14¼	+1⅝
Zymos	248	3¼	3⅛	3¼	
Zytrex	1132	4¼	4	4¼	+¼

BASE LENDING RATES

A.B.N. Bank 12 %	■ Hill Samuel §12 %
Allied Irish Bank 12 %	C. Hoare & Co. †12 %
Amro Bank 12 %	Hongkong & Shanghai 12 %
Henry Ansbacher 12 %	Kingsnorth Trust Ltd. 10 %
Armco Trust Limited 12½%	Knowsley & Co. Ltd. 12½%
Associates Cap. Corp. 12 %	Lloyds Bank 12 %
Banco de Bilbao 12 %	Mallinhall Limited 12 %
Bank Hapoalim BM 12 %	Edward Manson & Co. 13 %
BCCI 12 %	Meghraj and Sons Ltd. 12 %
Bank of Ireland 12 %	Midland Bank 12 %
Bank of Cyprus 12 %	■ Morgan Grenfell 12 %
Bank of India 12 %	National Bk. of Kuwait 12 %
Bank of Scotland 12 %	National Girobank 12 %
Banque Belge Ltd. 12 %	National Westminster 12 %
Barclays Bank 12 %	Norwich Gen. Tst. 12 %
Beneficial Trust Ltd. 12 %	People's Tst. & Sv. Ltd. 13 %
Brit. Bank of Mid. East 12 %	R. Raphael & Sons 12 %
■ Brown Shipley 12 %	P. S. Refson & Co. 12 %
CL Bank Nederland 12 %	Roxburghe Guarantee 12½%
Canada Perm't Trust 12 %	Royal Trust Co. Canada 12 %
Cayzer Ltd. 12 %	■ J Henry Schroder Wagg 12 %
Cedar Holdings 12 %	Standard Chartered ‖12 %
■ Charterhouse Japhet 12 %	Trade Dev. Bank 12 %
Choulartons 12½%	TCB 12 %
Citibank NA 12 %	Trustee Savings Bank 12 %
Citibank Savings ¶12 %	United Bank of Kuwait 12 %
Clydesdale Bank 12 %	United Mizrahi Bank 12 %
C. E. Coates & Co. Ltd 12½%	Volkskas Limited 12 %
Comm. Bk. N. East 12 %	Westpac Banking Corp. 12 %
Consolidated Credits 12 %	Whiteaway Laidlaw 12½%
Co-operative Bank *12 %	Williams & Glyn's 12 %
The Cyprus Popular Bk 12 %	Wintrust Secs. Ltd. 12 %
Dunbar & Co. Ltd 12 %	Yorkshire Bank 12 %
Duncan Lawrie 12 %	
E. T. Trust 12½%	
Exeter Trust Ltd. 12½%	
First Nat. Fin. Corp. 14½%	
First Nat. Secs. Ltd. 13 %	
■ Robert Fleming & Co. 12 %	
Robert Fraser 12 %	
Grindlays Bank ‡12 %	
■ Guinness Mahon 12 %	
■ Hambros Bank 12 %	
Heritable & Gen. Trust 12 %	

■ Members of the Accepting Houses Committee.
* 7-day deposits 8.75%. 1-month 9.50%. Fixed rate 12 months £2,500 10.75% £10,000, 12 months 11%.
† 7 day deposits on sums of under £10,000 8¾%, £10,000 up to £50,000 9¼%, £50,000 and over 10%.
‡ Call deposits £1,000 and over 8¾%.
‖ 21-day deposits over £1,000 9¾%.
§ Demand deposits 8¾%.
¶ Mortgage base rate.

BUSINESSMAN'S DIARY

UK TRADE FAIRS AND EXHIBITIONS

Current
BFM Furniture Show (until August 8) (01-724 0851) Harrogate

August 16-19
Acorn User Exhibition (01-930 1612) Olympia

August 18-19
British Custom Bike Show (0272 650465) Bristol Exhibition Centre

August 19-22
International Craft and Hobby Fair (04252 72711) Wembley Conference Centre

August 25-27
Northern Motor Show (0423 889441) Harrogate

August 26-29
Scottish Autumn Gift Fair (0764 4204) Glasgow

August 30-September 15
Ideal Home & DIY Exhibition (0232 650329) Belfast

September 2-4
Video Software and Computer Games Show (01-686 2599) Olympia

September 3-9
International Air Display and Exhibition (01-839 3231) Farnborough

September 4-7
International Carpet Fair—ICF (021-705 6707) Harrogate

September 6-9
Hi Fi Show (01-686 2599) Heathrow Penta Hotel

September 9-12
International Menswear Fair—MAB (0727 63213) Earls Court

September 10-13
Builders' Merchants' Exhibition—BEMEX (01-680 4200) Wembley Conference Centre

September 12-14
International Women's Wear Show (01-385 1200) Olympia

OVERSEAS TRADE FAIRS

August 7-11
Dublin Horse Show (Dublin 680645) Dublin

August 16-18
International Electronic Production Exhibition—INTERNEPCON SE Asia (01-891 5051) Singapore

August 21-23
Finnish Fashion Fair (01-486 1951) Helsinki

August 24-26
International Men's Fashion Week and Jeans Fair (01-930 7251) Cologne

August 28-30
International Security Conference and Exhibition (01-891 5051) New York

September 5-8
International Trade Fair for Hotels, Restaurants, Catering and Foods—HOTELREX (01-683 1158) Bangkok

September 3-6
International Autumn Fair (01-486 1951) Zagreb

September 12-19
International Engineering Fair (021-455 9600) Brno

September 16-19
International Hardware Show—QUOJEM (01-439 3964) Paris

BUSINESS CONFERENCES

August 23-24
Management Centre Europe: Intrapreneurship-Entrepreneurs inside your company (Brussels 516 19 11) Brussels

August 28-30
FT Conference: World aerospace: after the recession (01-621 1355) Hotel Inter Continental, W1

September 2-14
International Management Development Institute: Managing finance and control seminar (021 277121) Lausanne

September 4-6
SIMA: The second Analytical Sciences conference (01-437 0678) Barbican

September 10-11
The Textile Institute: Textile design strategy—from yarn to the consumer (061-834 8457) London

September 10-14
University of Wales Institute of Science and Technology. Ships' costs (0222 42588) Cardiff

September 13-14
INSIG: International seminar on bank staff management (Paris 225-07-24) Inter Continental Hotel, Paris

September 14
The Economist: Reforming British taxes—can fundamental reforms succeed where piecemeal changes falter? (01-839 7000) 116 Pall Mall, SW1

September 16-18
Metal Bulletin's third international aluminium congress (01-633 0525) Munich Sheraton

September 17
Longman Seminars: Cross-border financial planning for individuals—a passport for successful tax planning (01-242 2548) Barbican Centre, EC2

September 18
Monadnock/Middle East Association: Islamic banking—its impact on world financial and commercial practices (01-253 5909) London Press Centre

September 18-20
Reinsurance Management Institute: Fundamentals of reinsurance (Texas (214) 721 5360) University of Dallas

September 18
The Wimborne International Group: Combined heat and power/district heating—the Swedish experience (010468 7830525) Westminster

September 19
Weisweiller Adfos: Innovations in foreign exchange (01-229 8244) London

Anyone wishing to attend any of the above events is advised to telephone the organisers to ensure that there has been no change in the details published.

CONTRACTS

Viaduct in Scotland

DOW-MAC CONCRETE, a member of the Norcros Group has orders worth £2m. Largest has been awarded by Tarmac for a 22-span viaduct on the A9 at Killiecrankie, worth £600,000. Set in an area of outstanding natural beauty, the design—using the company's own standard bridge beams—had to be approved by the Royal Fine Arts Commission. In the building sector, Dow-Mac has gained a £550,000 contract from Higgs and Hill for a three-storey frame and floors of a Tesco store and adjoining flats in Weston-Super-Mare. J. E. Lesser Design and Build will use a Dow-Mac frame and floors for an office block it is constructing for Standard Telephones and Cables at Greenwich and this order is worth £265,180. Norwest Holst, engaged in re-building the fire-gutted part of Alexandra Palace, has ordered £66,000 worth of Dow-Mac standard bridge beams for an area of heavy deck loading. Dow-Mac's beams will also be utilised by Christian Neilson to provide a jetty at HMS Dolphin, Gosport. Among other contracts, the company will provide £111,000 worth of beams for the A66 Darlington by-pass. Anglian Building Products, another member of the Norcros Group, has also gained orders worth more than £250,000 for by-pass work including Attleborough, Ely, Totton and Havant.

★

WALTER LAWRENCE (CITY) has been appointed sub-contractor for part of the repair, refurbishment and redecoration of Alexandra Palace, London, for the London Borough of Haringey, at a cost of £500,000. Work consists of the removal of existing coverings and gutters, structural steelwork in the purlins, and the strengthening of existing steelwork of the Palm Court area. The domed and vaulted roofs will have patent glazed coverings—an area of about 29,600 sq ft.

★

ALLEN BUILDING, Wigan, has won contracts worth over £1m. These include a £550,000 depot for NORWEB at Stockport, contracts at Penwortham Girls High School and Clayton Green Library for Lancashire County Council, and a new car showroom in Wigan for A & B Motors.

Contracts & Tenders

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(Algerian Popular Democratic Republic)

MINISTERE DE L'ENERGIE ET DES INDUSTRIES CHIMIQUES ET PETROCHIMIQUES
(Ministry for Energy and Chemical and Petrochemical Industries)

ENTREPRISE NATIONALE DES TRAVAUX AUX PUITS
(National Oil Exploration Company)

NOTICE OF INTERNATIONAL CALL FOR TENDERS NUMBER 0128-OW/MF

The National Oil Exploitation Company is launching an International Call for Tenders for the supply of:

DRILL PIPE CASING PROTECTOR

This call for tenders is intended for Manufacturing Companies only and excludes amalgamations, representatives of companies and any other intermediaries etc, in conformity with the provisions of the Law No. 78-02 of 11 February 1978, with respect to State Monopolyl on Foreign Trade.

Tenderers interested in this Call for Tenders may obtain the specifications from the following address: Entreprise Nationale des Travaux aux Puits (National Oil Exploitation Company) - Bases les Vergers - BIRKHADEN - ALGER [ALGIERS] - ALGERIE [ALGERIA] - Direction des Approvisionnements (Department for Supplies) with effect from the date on which this notice is published.

Offers, of which five (05) copies should be prepared, must be sent in a double sealed envelope, by registered post, to the Secrétariat de la Direction des Approvisionnements at the above-mentioned address. The outer envelope should not bear any mark that might identify the tenderer and should state simply "APPEL D'OFFRES INTERNATIONAL No. 0128-OW/MF, CONFIDENTIEL A NE PAS OUVRIR" [International Call for Tenders No. 0128-OW/MF, Confidential, Do Not Open].

Tenders must be received by Saturday 22 September 1984 at the latest.

Selection will be made within 180 days from the closing date of this Call for Tenders.

REPUBLIC OF DJIBOUTI

MINISTRY OF PUBLIC WORKS, TOWN PLANNING AND HOUSING
DEPARTMENT OF PUBLIC WORKS

INTERNATIONAL INVITATION TO TENDER No. 2/84/BTP

The Ministry of Public Works, Town Planning and Housing is in charge of carrying out a road maintenance project, financed by the International Development Association (IDA).

The object of this invitation to tender, launched as part of the above-mentioned project, is the supply of public works equipment and workshop tools for the Department of Public Works.

The supply is broken down into five lots, as follows:
— Lot 1: asphalting equipment
— Lot 2: transport equipment
— Lot 3: miscellaneous equipment
— Lot 4: major tooling and workshop equipment
— Lot 5: small workshop tools.

Complete sets of the tender documents can be obtained from the Department of Public Works (Direction des Travaux Publics, BP 11-Djibouti) under the following conditions:
— Tender documents will be handed to a duly authorised representative of the supplier (as evidenced by a letter to the Government in which the supplier will express his wish to receive said tender documents).
— Cost of tender documents: DF 30 000 payable in cash against receipt.

Suppliers may examine the complete tender documents at the following addresses:
— Direction des Travaux Publics, BP 11-Djibouti
— BCEOM, 15 square Max Hymans, 75741, Paris Cedex 15 (France)
— Embassy of the Republic of Djibouti In Paris (France)
— Permanent mission of Djibouti with the United Nations in New York (USA).

The proposals will have to be either sent by registered mail with return receipt to "Monsieur le Directeur des Travaux Publics, BP 11-Djibouti" or deposited against a receipt at this same address no later than at 8 a.m. (local time) on September 27, 1984.

For any additional information, please contact Direction des Travaux Publics, BP 11-Djibouti (Telex PRESIDEN 5871 DJI).

REPUBLIC OF DJIBOUTI

MINISTRY OF PUBLIC WORKS, TOWN PLANNING AND HOUSING
DEPARTMENT OF PUBLIC WORKS

INTERNATIONAL INVITATION TO TENDER No. 15 BIS/84/BTP

The Ministry of Public Works, Town Planning and Housing is in charge of carrying out a road maintenance project, financed by the International Development Association (IDA).
The object of this invitation to tender, launched as part of the above-mentioned project, is the construction of buildings intended for supplementing or improving the services of the Department of Public Works.
The relevant works are broken down into three sections:
— section 1: Djibouti equipment depot
— section 2: Dikhil Subdivision and service station
— section 3: Tadjourah service station.
Complete sets of the tender documents can be obtained from the Department of Public Works (Direction des Travaux Publics, BP 11-Djibouti) as of August 27, 1984, under the following conditions:
— Tender documents will be handed to a duly authorised representative of the supplier (as evidenced by a letter of the Government in which the supplier will express his wish to receive said tender documents).
— Cost of tender documents:
section 1: DF 30 000
section 2: DF 30 000
section 3: DF 13 000
payable in cash against receipt.
Contractors may examine the complete tender documents (starting on August 27, 1984) at the following addresses:
— Direction des Travaux Publics, BP 11-Djibouti
— BCEOM, 15 square Max Hymans, 75741, Paris Cedex 15 (France)
— Embassy of the Republic of Djibouti in Paris (France)
— Permanent mission of Djibouti with the United Nations in New York (USA).
The proposals will have to be either sent by registered mail with return receipt to "Monsieur le Directeur des Travaux Publics, BP 11-Djibouti" or deposited against a receipt at this same address no later than at 8 a.m. (local time) on October 11, 1984.
For any additional information, please contact Direction des Travaux Publics, BP 11-Djibouti (Telex PRESIDEN 5871 DJI).

REPUBLIC OF DJIBOUTI

MINISTRY OF PUBLIC WORKS, TOWN PLANNING AND HOUSING
DEPARTMENT OF PUBLIC WORKS

INTERNATIONAL INVITATION TO TENDER No. 5/84/DTP

The Ministry of Public Works, Town Planning and Housing is in charge of carrying out a road maintenance project, financed by the International Development Association (IDA).
The object of this invitation to tender, launched as part of the above-mentioned project, is the supply of spare parts for the equipment of the Department of Public Works.
The spare parts to be supplied consist of six lots, as follows:
— Lots 1: spare parts for Caterpillar earthmoving equipment
— Lots 2: spare parts for trucks and construction vehicles made in Japan
— Lots 3: spare parts for trucks and construction vehicles made in Europe
— Lots 4: spare parts for compressors and generating sets
— Lots 5: spare parts for light and service vehicles made in Europe
— Lots 6: spare parts for light and service vehicles made in Japan.
Complete sets of the tender documents can be obtained as of August 15, 1984, from the Department of Public Works (Direction des Travaux Publics, BP 11-Djibouti) under the following conditions:
— Tender documents will be handed to a duly authorised representative of the supplier (as evidenced by a letter to the Government in which the supplier will express his wish to receive said tender documents).
— Cost of the tender documents: DF 20 000 payable in cash against receipt.
Contractors may examine the complete tender documents at the following addresses:
— Direction des Travaux Publics, BP 11-Djibouti
— BCEOM, 15 square Max Hymans, 75741, Paris Cedex 15 (France)
— Embassy of the Republic of Djibouti in Paris (France)
— Permanent mission of Djibouti with the United Nations in New York (USA).
The proposals will have to be either sent by registered mail with return receipt to "Monsieur le Directeur des Travaux Publics, BP 11-Djibouti" or deposited against a receipt at this same address no later than at 8 a.m. (local time) on October 4, 1984.
For any additional information, please contact Direction des Travaux Publics, BP 11-Djibouti (Telex PRESIDEN 5871 DJI).

Company Notices

NACIONAL FINANCIERA FLR. NOTES DUE 1981

For six months July 27, 1984 to January 27, 1985 the notes will carry an interest rate of 12,8125% per annum.
The interest due on January 28, 1985 against coupon number 11 will be $US 65,84 and has been computed on the actual number of days elapsed (185) divided by 360.

The principal paying agent
SOCIETE GENERALE ALSACIENNE DE BANQUE
LUXEMBOURG BRANCH

NOTICE TO BONDHOLDERS (6½ PER CENT CONVERTIBLE, GUARANTEED, 1989) OF ASIA NAVIGATION INTERNATIONAL LIMITED, BERMUDA

NOTICE IS HEREBY GIVEN that the Register of Members of World International (Holdings) Limited, 16th Floor, World Shipping Centre, Harbour City, 7, Canton Road, Kowloon, Hong Kong, will be closed from 17th September, 1984, to 25th September 1984 both days inclusive, during which period the 6½ per cent Convertible Guaranteed Bonds 1989 issued by Asia Navigation International Limited, Bermuda, on 6th March 1974 will not be convertible into Fully Paid Registered Ordinary Shares of World International (Holdings) Limited.
By Order of the Board
World-Wide Secretaries Limited
Secretaries
5th August, 1984.

ITO-YOKADO CO., LTD.

(CDRs)

Referring to the advertisement of June 12th, 1984 the undersigned announces that as from 8th August, 1984 bonus dividend no. 24 of CDRs Ito-Yokado Co., Ltd. will be payable in cash with US$42.21 per CDR repr. 5 Dep. Shs. of 10 Shs.; US$422.10 per CDR repr. 50 Dep. Shs. of 10 Shs.; and with US$844.20 per CDR repr. 100 Dep. Shs. of 10 Shs. at Kas-Associatie N.V., Spuistraat 172, Amsterdam.
AMSTERDAM DEPOSITARY COMPANY N.V.
Amsterdam,
31st July, 1984.

Announcements

IT IS WISHED TO BE RECORDED that S.L.O.G.S. was officially founded by M. J. Jenner, J. W. W. Taylor, A. D. Robertson and C. E. Robertson on January 1st, 1984.

Personal

WORDSTAR, word processing personalised tuition. 381 3478/6120 (day). 350 1204 (eve).

Clubs

EVE has outlived the others because of a policy of fair play and value for money. Supper from 10-3.30 am. Disco and top musicians, glamorous hostesses, exciting floorshows. 189, Regent St. 01-734 0557.

RAMON'S NIGHTCLUB RESTAURANT, 42, Dean Street, W1. Where today's businessman can relax and enjoy an exciting evening. Various cabaret acts throughout. Charming and discreet dancing partners available. Open nightly 9 pm to 3 am. 01-437 9455.

Company Notices

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN NITTO BOSEKI CO., LTD.

Further to our notice of April 17, 1984, EDR holders are informed that Nitto Boseki Co., Ltd. has paid a dividend to holders of record April 30, 1984. The cash dividend payable is Yen 5 per Common Stock of Yen 50.00 per share. Pursuant to the terms and Conditions the Depositary has converted the net amount, after deduction of Japanese withholding taxes, into United States Dollars.
EDR holders may now present Coupon No. 3 for payment to the undermentioned agents.
Payment of the dividend with a 15% withholding tax is subject to receipt by the Depositary or the Agent of a valid affidavit of residence in a country having a tax treaty or agreement with Japan giving the benefit of the reduced withholding rate. Countries currently having such arrangements are as follows:

A. R. of Egypt	F. R. of Germany	Malaysia	Singapore
Australia	Finland	The Netherlands	Spain
Belgium	France	New Zealand	Sweden
Brazil	Hungary	Norway	Switzerland
Canada	Indonesia	Poland	United Kingdom
Czechoslovakia	Ireland	Rep. of Korea	U.S. of America
Denmark	Italy	Romania	Zambia

Failing receipt of a valid affidavit Japanese withholding tax will be deducted at the rate of 20% on the gross dividend payable. The full rate of 20% will also be applied to any dividends unclaimed after
Amounts payable in respect of current dividends.

Coupon No. EDR denomination	Gross Dividend	Dividend payable less 15% Japanese withholding tax	Dividend payable less 20% Japanese withholding tax
1,000 shares	$20.57	$17.49	$16.46

Further to the notice of April 17, 1984 concerning the free distribution of shares (1 new for each 20 old). EDR holders are informed that the new shares are now available for delivery and should be claimed by presenting Coupon No. 4 to the Depositary or the Agent. EDRs will only be issued in Authorised Denominations of 1,000 shares, therefore any EDR holder not able to present coupons making-up an Authorised Denomination will receive the net proceeds of the sale of their entitlement in United States Dollars pursuant to Condition 5 of the Terms and Conditions.

Depositary: Citibank, N.A. 336 Strand, London WC2R 1HB
Agent: Citicorp Bank (Luxembourg) S.A. 16 Avenue Marie Therese
August 6, 1984

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN MITSUI & CO, LTD.

EDR holders are informed that Mitsui & Co. has paid a dividend to holders of record March 31, 1984. The cash dividend payable is Yen 2.5 per Common Stock of Yen 50.00 per share. Pursuant to Clause 4 of the Deposit Agreement the Depositary has converted the net amount, after deduction of Japanese withholding taxes, into United States Dollars.
EDR holders may now present Coupon No. 31 for payment.
Payment of the dividend with a 15% withholding tax is subject to receipt by the Depositary or the Agent of a valid affidavit of residence in a country having a tax treaty or agreement with Japan giving the benefit of the reduced withholding rate. Countries currently having such arrangements are as follows:

A. R. of Egypt	F. R. of Germany	Malaysia	Singapore
Australia	Finland	The Netherlands	Spain
Belgium	France	New Zealand	Sweden
Brazil	Hungary	Norway	Switzerland
Canada	Indonesia	Poland	United Kingdom
Czechoslovakia	Ireland	Rep. of Korea	U.S. of America
Denmark	Italy	Romania	Zambia

Failing receipt of a valid affidavit Japanese withholding tax will be deducted at the rate of 20% on the gross dividend payable. The full rate of 20% will also be applied to any dividends unclaimed after
Amounts payable in respect of current dividends.

Coupon No. 31 EDR denomination	Gross Dividend	Dividend payable less 15% Japanese withholding tax	Dividend payable less 20% Japanese withholding tax
1 share	$0.01033	$0.00878	$0.008264

Depositary: Citibank, N.A. 336 Strand, London WC2R 1HB
August 6, 1984

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN NIPPON FIRE & MARINE INSURANCE CO., LTD.

Further to our notice of March 23, 1984, EDR holders are informed that Nippon Fire & Marine Insurance Co., Ltd. has paid a dividend to holders of record March 31, 1984. The cash dividend payable is Yen 5.5 per Common Stock of Yen 50.00 per share. Pursuant to the Terms and Conditions the Depositary has converted the net amount, after deduction of Japanese withholding taxes, into United States Dollars.
EDR holders may now present Coupon No. 7 for payment to the undermentioned agents.
Payment of the dividend with a 15% withholding tax is subject to receipt by the Depositary or the Agent of a valid affidavit of residence in a country having a tax treaty or agreement with Japan giving the benefit of the reduced withholding rate. Countries currently having such arrangements are as follows:

A. R. of Egypt	F. R. of Germany	Malaysia	Singapore
Australia	Finland	The Netherlands	Spain
Belgium	France	New Zealand	Sweden
Brazil	Hungary	Norway	Switzerland
Canada	Indonesia	Poland	United Kingdom
Czechoslovakia	Ireland	Rep. of Korea	U.S. of America
Denmark	Italy	Romania	Zambia

Failing receipt of a valid affidavit Japanese withholding tax will be deducted at the rate of 20% on the gross dividend payable. The full rate of 20% will also be applied to any dividends unclaimed after
Amounts payable in respect of current dividends.

Coupon No. EDR denomination	Gross Dividend	Dividend payable less 15% Japanese withholding tax	Dividend payable less 20% Japanese withholding tax
1,000 shares	$22.02	$18.71	$17.61
100 shares	$2.20	$1.87	$1.76

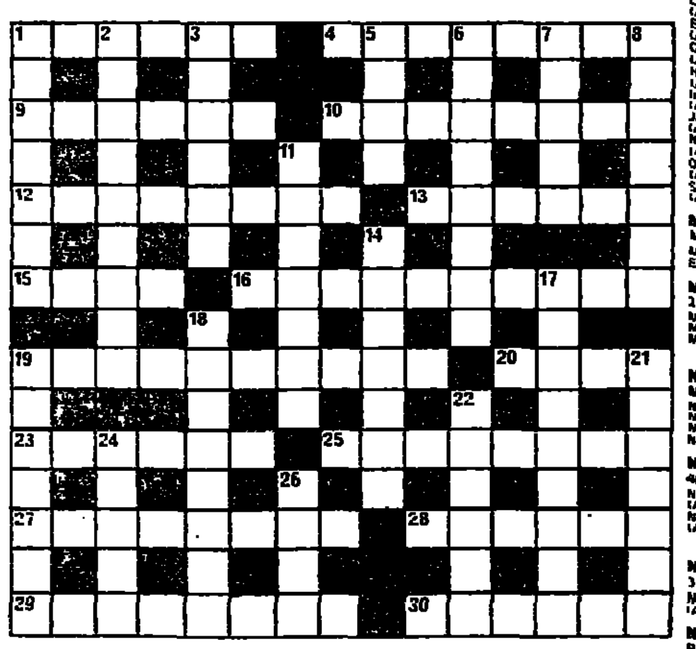
Depositary: Citibank, N.A. 336 Strand, London WC2R 1HB
Agent: Citicorp Bank (Luxembourg) S.A. 16 Avenue Marie Therese
August 6, 1984

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

F.T. CROSSWORD PUZZLE No. 5,484



ACROSS

1 Mourn many a mentally deficient helper (6)
4 Friend joins serious historian (8)
9 Imagine I leave peculiar mystery (6)
10 Somehow eluding point gratifies (8)
12 Sat with flute perhaps looking dignified (8)
13 Early exam has no virtue (6)
15 Harriet stops short to see antiquary (4)
16 No-one comes back after nunnery assembly (10)
19 An attempt to carry in Venetian glass (10)
20 We object to journalist being employed (4)
23 Somewhat charmed in an ancient part of Saudi Arabia (6)
25 Boiardo's heroine may be seen in bed (8)
27 Raconteur sailor hurried back with alternative (8)
28 Does change include copper coin? (6)
29 Stress I'd accepted — it wasn't intended (8)
30 Confine one by one so to speak (6)

DOWN

1 The French queen set up Odysseus' father (7)
2 It could be in a modest part of Kent (9)
3 Some pop music for anaesthetist? (6)
5 Using cane may cause inflammation (4)
6 Man surrounded by fruit-glutton (8)
7 Short month you are heard to forebode (5)
8 Slope in rewritten letter (7)
11 To impose on what belongs to us (7)
14 In a word, a bend in Bonn (7)
17 Set up organisation (9)
18 Fineness of gold is the criterion (8)
19 Battle with Poles — a battle! (7)
21 Cavalryman to trail with nothing on! (7)
22 Not so much to do? Could be an example (6)
24 Channel Island staff turned up to see architecture (5)
26 Beware giant bird going to the north (4)

The solution to last Saturday's prize puzzle will be published with names of winners next Saturday.

هكذا من الأصل

INSURANCE, OVERSEAS & MONEY FUNDS

Liberty Life Assurance Co Ltd
Station Rd, New Barnet. 01-440 8210
Fund Managers, Touche Remnant & Co.

Sel Sec A	23.8	25.1		—
Blue Chip	18.6	19.6	+0.4	—
Fixed Yield	17.8	18.8		—
Guaranteed Mny	15.5	16.4	+0.1	—
Managed	17.4	18.4	+0.5	—
International	23.2	24.5	+1.0	—
Property	14.9	15.7	+0.2	—
Pacific	17.2	18.2	+0.8	—
Equity	13.8	14.6	+0.3	—
Special Sits	19.6	20.7	+0.6	—
Int Currency	13.1	14.1	+0.2	—
Index Linked Secs	10.4	11.0		—
American	17.4	18.4	+1.0	—

Life Assur. Co. of Pennsylvania.
8, New Rd, Chatham, Kent. Medway 812348

LACOP Units	13.49	14.17		—

Lloyds Life Assurance
20, Clifton St, EC2A 4HX. 01-920 0202

National Provident Institution
48, Gracechurch St, EC3P 3HH 01-623 4200

Managed	172.7	181.8	+2.4	—
UK Equity	180.5	190.0	+3.2	—
Overseas Eq.	165.2	178.0	+2.6	—
American	172.7	181.8	+2.4	—
Far East	162.5	171.1	+2.2	—
Property	110.1	115.9	+0.4	—
Fixed Int	150.2	158.2	+2.8	—
Indexed Gilt	94.6	99.6	+0.8	—
Deposit	110.9	116.8		—

Pension Fund Prices

Save & Prosper Group
28, Western Rd, Romford RM1 3LB. 0708-66966

Global Equity Fund	79.5	84.2	+1.6	—
Bal. Inv. Fd.	260.0	275.2	+3.4	—
Property Fd.	278.6	294.9		—
Gilt Fd.	215.0	227.6	+2.2	—
Deposit Fd	189.9	201.0		—
Man. Pens. Fd †	51.0	54.0		—
Equity Pens. Fd. †	52.5	55.6	+1.0	—
Prop Pens. Fd †	52.4	55.5		—
A. G. Bond Fund	64.6	68.4	+0.4	—
Dep Pen Fd †	49.8	52.7		—
Gilt Pens Fd †	47.2	50.0	+0.6	—
Global Eq Pens Fd	59.5	63.0	+1.3	—

†After Sub-division. ‡Weekly dealings.

OFFSHORE AND OVERSEAS

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd		$11.27	+0.22	—

Inv. Adv.: M. & G. Inv. Mngt., Ltd., London.

Wren Commodity Management Ltd.
10, St George's St, Douglas IoM. 0624 25015

Wren Com. Fund	36.0	36.7		3.10
Chinese Fund	59.5	62.0		1.73
Precious Metal Fund	123.9	129.0		0.30
Vanguard Cmdy Fd	26.5	27.3		2.26
Financial Futures Fd	52.6	54.8		—

Yamaichi Dynamic Mngt Co SA
10A Boulevard Royal, Luxembourg

Dynamic Gwth Fd		$8.59	+0.19	—

Money Market Trust Funds

	Nom	Apr	Int Cr	Notice
Mallinhall Ltd				
36 Berkeley Sq, W1X 5DA. 01-499 6634				
M'hall Mny Fd	11.63	12.17	Qtrl	Call
The Money Market Trust				
63 Qn Victoria St, EC4N 4ST 01-236 0952				
Call Fnd	12.48	12.91		Call
7-day Fnd	12.00	12.43		7-day
Oppenheimer Money Management Ltd				
66 Cannon St, EC4N 6AE 01-236 1425				
Call Fnd	11.80	12.14	6 mth	Call
7-day Fund	11.63	11.96	6 mth	7-day
Money Mngt. Acct	11.75	12.28	3-mth	Call
Dollar	10.37	10.64	6-mth	2-day

Money Market Bank Accounts

	Nom	APR	Int Cr	Notice
Aitken Hume				
30 City Road, EC1Y 2AY 01-638 6070				
Treasury Acc	11.625	12.14	Qtrl	Call
Monthly Acc	11.5	12.13	Mthl	Call
Bank of Scotland				
38 Threadneedle St, EC2P 2EH. 01-628 8060				
Cheque Acc	11.25	11.74	Mthl	Call
Barclays Prime Account				
PO Box 125, Northampton 0604 252891				
High Int. Cheque	11.00	11.46	Qtrl	Call
Britannia Grp of Investment Companies				
29 Finsbury Circus, EC2M 5QL. 01-588 2777				
Cater Allen	11.75	12.40	Mthl	Call
Charterhouse Japhet plc				
1 Paternoster Row, EC4M 7DH. 01-248 3999				
Sterling	11.625	12.26	Mthl	Call
U.S. Dollar	11.75	12.01	Mthl	Call
German Marks	5.00	5.19	Mthl	Call
Swiss francs	2.0	2.05	Mthl	Call
Japanese Yen	6.00	9.19	Mthl	Call
Choulartons				
30 Ashley Rd, Altrincham, Cheshire, WA1 2DW 061-929 9013				
Cheque Acc	11.75	12.40	Mthl	Call
Co-operative Bank				
78-80 Cornhill EC3 01-626 6543 Ex 464				
Cheque & Save	9.00	9.31	Qtrl	Call
Over £1,000	10.50	10.92	Qtrl	Call
Dartington & Co Ltd				
Dartington, Totnes, Devon TQ9 6JE. 0803 862271				
Money Mkt Acc	11.50	12.02	Qtrl	Call
Lombard North Central PLC				
17 Bruton St, W1A 3DH. 01-409 3434				
Notice Dep	11.75	12.09	Rate	14-day
M & G/Kleinwort Benson				
91-99 New London Rd, Chelmsford. 0245 51651				
High Int Cheque Acc	11.78	12.50	Daily	Call
Midland Bank plc				
PO Box 2 Sheffield. 0742 20999 Ext 8738				
High Int Chq	11.00	11.46	Qtrl	Call
Save & Prosper/Robert Fleming				
28 Western Rd, Romford RM1 3LB. 0708 66966				
High Int. Std. Acc.	11.55	12.25	Daily	Call
Premier Acc	11.55	12.25	Daily	Call
Tyndall & Co				
29-33 Princess Victoria St, Bristol BS8 4BX. 0272 732241				
Demand Acc	11.81	12.33	Qtrl	Call
Money Acc	11.50	12.00	Qtrl	Chq. 7
J. Henry Schroder Wagg & Co Ltd				
Enterprise House, Portsmouth 0705 827733				
Special Acc	11.625	12.26	Mthl	Call
Over £10,000	11.875	12.54	Mthl	Call

NOTES:—Interest rates given both as a nominal rate and an annual percentage rate adjusted for frequency of interest credit.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ♦ Yield column shows annualised rates of NAV increase.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Interest Due		Stock	Price £	Last xd	Yield Int.	Yield Red.
26Mar	26S	Treas 12pc 1984	99 11/32	14.5	12.02	12.27
22Aug	22F	Treas. 15pc 1985	101 3/32 xd	16.7	14.71	11.21
22S	22Mar	Exch. 12pc Cnv. '85	100 5/16	14.2	11.96	11.36
21N	21My	Treas 3pc 1985	93¾	16.4	3.20	11.44
15Jan	15Jul	Treas 11½pc 1985	100⅛	8.6	11.49	11.39
3Mar	3Se	Treas 8¾pcCnv '85	97 3/16	26.1	9.00	11.65
22May	22N	Exch. 12¼pc 1985	100 7/16	16.4	12.20	11.76
25Aug	25Fb	Exch. 11¾pc '86	100 1/16 xd	19.7	11.74	11.69
11Oct	11Apr	Treas. 10pcCnv 1986	97¼	5.3	10.28	11.82
19N	19May	Treas 3pc 1986	89⅝	12.4	3.35	9.43
19Nv	19My	Exch 10½pc Cv '86	97⅞	12.4	10.73	11.87
12Dec	12Jun	Treas 12pc 1986	100 5/16	8.5	11.96	11.77
10Ja	10Jul	Treas 8½pc 1984 86‡‡	94½	8.6	9.01	11.83
29Ap	29Oc	Exch. 14pc 1986	103⅞	23.3	13.48	12.13
21May	21N	Exch. 2½pc 1986	85 7/16	16.4	2.92	9.65
22Jul	22Jan	Exch. 13¼pc 1987	102 11/16	15.6	12.90	11.91
10Aug	10Fb	Treas 10¼pcCv '87	96¼ xd	4.7	10.66	12.01
24Aug	24Feb	Exch 2½pc 1987	84	18.1	2.98	9.73
6Oct	6Apr	Exch. 10½pc 1987	96 1/16	1.3	10.92	12.17
1N	1May	Funding 6½pc '85-87‡‡	87 13/16	26.3	7.40	11.82
12Dec	12Jne	Treas. 10pc 1987	94¾	8.5	10.55	12.20
14Jan	14Jly	Treas 3pc 1987	82 13/16	7.6	3.62	9.88
3May	3Nov	Treas. 12pc 1987	99 1/16	27.3	12.11	12.31
26Jul	26Ja	Treas 7¾pc 1985-88‡‡	88 1/16 xd	19.6	8.76	11.90
10Nov	10May	Exch 10½pc '88	94⅛	3.4	11.16	12.47
14Dec	14Jne	Treas 9¾pc Cv '88	92 1/16	8.5	10.59	12.39
1Jan	1Jul	Transport 3pc '78-88	77 15/16	25.5	3.86	10.03
25Ap	25Oc	Treas. 9½pc '88	90 1/16	19.3	10.55	12.56
22Aug	22Fb	Treas 11½pc 1989	96 7/16 xd	16.7	11.85	12.51
18Oct	—	Treas 9½pc Cnv '89	90½	—	10.50	12.29
14Dec	14Jun	Treas 10½pc 1989	92 3/16	22.5	11.34	12.58
1Feb	1Aug	Exch.10pc 1989	90 9/16	25.6	11.04	12.61

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked

[illegible]

INT. BANK AND O'SEAS GOVT STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Building Societies

[illegible]

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS, HP & LEASING

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BEERS, WINES—Cont.

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY & STORES—Cont.

[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

LEISURE—Continued

PROPERTY—Continued

INVESTMENT TRUSTS—Cont.

OIL AND GAS—Continued

MINES—Continued

Dividends Paid		Stock	Price	Last xd	Div Net	C'vr	Yld Gr's
		Central African					
Jan	June	Falcon 250c	150	14.5	Q100c	♦	37.1
Nov.	May	Wankie Col. Z$1	12½	25.4	—	—	—
October		Zam Cpr $BD0.24	16½	7.80	—	—	—
		Australians					

Tins

Miscellaneous

INSURANCES

LEISURE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

Finance, Land, etc

OIL AND GAS

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

NOTES

REGIONAL & IRISH STOCKS

OPTIONS — 3-month call rates

Stock	Rate	Stock	Rate	Stock	Rate
Brit Aerospace	20	Lucas Inds	18	Samuel Props.	12
BAT	15	'Mams'	14	Sterling Guar.	4
Brown (J.)	3	Marks & Spcr.	20	**Oils**	
Burton Ord.	22	Midland Bk	36	Brist. Oil & Min.	9
Cadburys	11	NEI	10	Brit Petroleum	35
Comm Union	16	Nat West Bk	60	Burmah Oil	17
Courtaulds	11	P & O Dfd	25	Charterhall	9
Debenhams	14	Plessey	20	Premier	6
Distillers	22	Racal Elect	18	Shell	55
Dunlop	5	RHM	8	Tricentrol	20
FNFC	6½	Rank Org Ord	24	Ultramar	60
Gen Accident	42	Reed Intnl	40		
Gen Electric	16	Sears	8	**Mines**	
Glaxo	70	TI	22	Charter Cons	24
Grand Met	30	Tesco	16	Cons Gold	58
GUS 'A'	55	Thorn EMI	55	Lonrho	12
Guardian	50	Trust Houses	18	Rio T Zinc	40
GKN	20	Turner Newall	10		
Hanson Tst	17	Unilever	75		

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 17

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security.

FINANCIAL TIMES
Monday August 6 1984

Terry Byland on Wall Street

Exultation remains selective

"WE HAVE the best of all possible worlds – a strong economy and low inflation," exulted one of Wall Street's more exuberant brokers on Friday morning, as share prices and turnover took off into the stratosphere. Some analysts might have reservations about both sides of that statement, but they were mostly keeping their opinions to themselves at the end of last week.

The slide of nearly 100 basis points over the past month in yields on long-dated bonds had probably left the stock market with a good deal of ground to catch up. The catalyst was last week's announcement of an unexpected dip in the Commerce Department's leading economic indicators, coupled with successive and contradictory rumours on the outlook for oil prices.

The sudden breach in the dam of negative market attitudes sparked off something like a buying panic among the investment institutions. At the end of the week, the buying was still largely confined to the U.S. institutions. The retail investors – the mutual funds and the private buyers – were still on the sidelines, and foreign institutions, in particular U.K. funds, were keeping their hands firmly in their pockets.

Last week's burst of strength was in part a reaction to the market's weakness over the preceding 12 months. Not all market sectors have suffered equally since the middle of last year, however, and not all will recover equally. It was already clear on Friday that the market rally was picking out those with the best prospects.

An aptly timed comparison of stock sector performances over the past year compiled by Smith Barney Harris Upham brings out the degree to which the market had become defensive. The best performers, relative to the Standard & Poor's 500-stock index, were containers – glass and metal – tobaccos, soft drinks, food and leisure groups. All benefited from being cheap consumer product industries in a time of high employment.

But these sectors were brushed aside last week, as investors rushed to buy the very stocks that have been most neglected during the bear market.

Right at the top of shopping lists were the shares of the Wall Street brokerage firms themselves, which have plunged heavily this year as profits have been sliced by the slump in both turnover and stock prices.

By the same token, the securities firms stand to benefit strongly if market turnover maintains anything like the record totals seen at the end of last week. The industry can prosper on daily trading totals of 150m shares – so Friday's 236.6m total worked wonders on the stock prices of the big trading houses.

Merrill Lynch, featured repeatedly in the active stocks list at the end of last week, saw more than 8.2m shares turned over – nearly 10 per cent of the issued equity – and its stock price rise by nearly 30 per cent. Paine Webber shares jumped by 25 per cent, while Donaldson Lufkin Jenrette, with a 17 per cent gain, could be accused of lagging behind.

Railway company stocks surprised many analysts by suddenly returning to the buying lists after several months in which they were shunned as cyclical stocks whose time had passed. The upswing of 13 per cent in Burlington Northern and 10 per cent in Norfolk and Southern indicated the market's belief that the stocks had fallen too far in view of the strength still showing in the economy.

The rail stocks made a strong contribution to the massive rise in the Dow Jones transportation average – 14.18 per cent up on the week.

When Wall Street opens for trading this morning, there may well be profit-takers as well as new buyers. But there is no reason to suppose, given the growing optimism over prospects for interest rates and for inflation, that last week's gains are the end of the story. The year-long weakness of the stock market has left too many tantalising opportunities for the bold.

U.S. car groups plan to lift output as sales soar

BY TERRY DODSWORTH IN NEW YORK

U.S. CAR sales continued to rise rapidly last month on a year-on-year basis, illustrating the current strength of consumer demand when many economists had expected some slackening.

Total deliveries by the big three domestic manufacturers rose by 19 per cent from 552,000 last July to 659,000. General Motors, the largest of the three, showed the smallest gain, with shipments up by 15 per cent from 348,000 to 399,000. But that slowdown was partly attributed to delivery difficulties caused by model changeovers.

Ford and Chrysler, however, experienced strong sales growth, with Ford's shipments up by 26 per cent from 129,000 a year ago to 163,000, and Chrysler's jumping by 30 per cent from 75,000 units to 97,000.

GM and Ford also showed big gains in their truck sales, which are regarded as an indicator of the strength of economic activity. GM's deliveries rose by 23 per cent from 103,000 vehicles to 127,000, while Ford's were up by 22 per cent from 81,000 to 99,000.

American Motors, the U.S. company in which Renault of France has the controlling interest, also announced its best July sales figure *for 21 years, with sales of its domestically* produced cars soaring by 70 per cent to 24,000 units, and of its Jeep models by 108 per cent to 13,000.

In the year to date, GM's car sales are up by 25 per cent to 2.9m units, while Ford's have risen by 31 per cent to 1.17m.

Although the growth in U.S. sales has been levelling out over the last few months, U.S. car manufacturers are still planning to expand production in the last half of this year.

According to Ward's, the authoritative motor industry guide, manufacturers are aiming to push up output by 10 per cent to 1.75m on a year ago in the July-September quarter. In the following quarter, when the comparison is with a buoyant period a year ago, the target is *a 5 per cent increase on a* year ago to 1.99m units.

The industry is now reckoned to be set to achieve output of around 8m units for the year, some 18 per cent above the 6.78m produced in 1983, and the best year since the 8.42m manufactured in 1979.

Reagan pledge on income tax, Page 2

Washington committee calls for tighter takeover rules

BY TERRY DODSWORTH IN NEW YORK

LEGISLATION outlawing a number of defensive tactics that have been heavily criticised in U.S. takeover battles this year has moved closer with the adoption of a series of proposals by the commerce committee of the House of Representatives.

Committee members hope they will be able to agree with the Senate on a similar Bill during September. The aim is to present legislation for presidential approval before the elections in November, although it might run into opposition from the White House after critical comments by Mr Donald Regan, the Treasury Secretary.

The main aim of the proposals is to give the bulk of shareholders fairer treatment during takeover battles. *That has meant that most* of the proposals are concentrated on defensive tactics – in particular on share dealings which tend to dilute the company's equity, or treat some shareholders on a different basis from others.

Five main issues are being tackled. The so-called "greenmail" technique, under which managements buy out a large hostile minority at a premium, would be banned unless it had shareholders' approval, or the stock has been held for more than two years.

Self tenders, in which companies repurchase their *own stock during* a takeover battle, would also be outlawed, unless shareholders approved. The issue of more than 5 per cent of a company's stock during a battle would be prohibited. That is often done to dilute the value of the shares and thus of the bidder's stake.

"Golden parachutes" – the lucrative service contracts that protect managements if they lose their jobs as a result of a takeover, would be prohibited during a bid.

Finally, there would also be an amendment to present legislation to make it more difficult for bidders to mount raids. Instead of being given 10 days, as at present, to announce a shareholding of more than 5 per cent, they would have to declare it within 24 hours and desist from further purchases for two working days.

Some members of Congress would like to see more sweeping measures to reduce the present boom in takeover activity, which they regard as harmful to the general economy. Further legislation may be proposed next year on those issues, particularly to cover the question of workforce interests. For *the time being, however, the proposals* are concentrating on an area in which it is felt that a broad consensus has emerged.

Texas company in UK oil rig deal

BY IAN RODGER IN LONDON

BAKER MARINE, a U.S. manufacturer of oil industry equipment, has granted a British steel fabricating group a licence to build oil rigs and other structures for the offshore industry.

ITM (Offshore), which constructed a floating port for use in the Falkland Islands last year, expects the licensing deal to bring it *£100m ($131m) of new business* a year and plans to take on 200 new workers at two sites on Teesside in the north-east of England.

The British company is paying Baker Marine $500,000 or the licence, spread over the sale of the first five units built. The agreement allows ITM to market Baker-designed rigs throughout the world, except for Japan and South Korea, for an unlimited period.

ITM today begins work on its first £20m mobile platform, although it has no firm order for it yet. The heavy construction will be done at the Head Wrightson engineering works acquired from Davy Corporation in June. Assembly of the completed sections will be carried out at another site.

Mr A. J. Duffield, chairman of ITM, noted that it was the first agreement to be signed since a government statement urged American companies to transfer offshore technology to the UK.

"ITM now looks to the Government for active support in the utilisation of these vessels," he said.

The privately held company went into business in 1976 to move large fabrications, both on land and sea. It diversified into building specialised ships and fabrications and is working on an 800-tonne steel jacket for Shell. The group's total workforce is about 400 and turnover about £35m a year.

The agreement with Texas-based Baker Marine covers self-elevating mobile oil rig platforms, platform rigs, drill ships and accommodation jack-ups (rigs).

Zia bid to save project

Continued from Page 1

The Ital deal became caught up in *rivalry between Pakistan Government* ministries supporting the public and private sector, and Associated failed to find fresh equity finance.

Chase Manhattan Bank of the U.S. became the financial adviser and has produced proposals, still to be finalised, for £9m loans to cover foreign exchange costs. That is believed to be broadly equivalent to the cash Austin Rover hopes to raise by selling the plant.

To ease the developing crisis, BL raised its stake to 20 per cent but rejected requests to go to 49 per cent and cover almost all the Middle East stake.

"We do not want to be managing the company, and, if we go above 20 per cent, we will be seen as managing it," Mr Musgrove said at the weekend.

Ital production the UK market will stop in December and Austin Rover has told Associated it must finalise any deals by next month, or the plant might be broken up and auctioned.

The deal would start with 2,000 to 3,000 cars being shipped in knocked down form from the UK for assembly in Pakistan.

Jaguar to announce allotment

By Alexander Nicoll in London

INVESTORS who scrambled on Friday to buy shares in Jaguar, the British car maker that is being privatised, will learn this morning on what basis shares will be allotted. The £293m ($384.1m) issue was about eight times oversubscribed.

Requests from about 300,000 investors were counted by early Saturday morning. Jaguar's bankers had weeded out as many multiple applications as they could detect, as well as those which were clearly from "stags" – speculators seeking to make a profit through a quick sale.

Smaller applications are understood to have been placed in a ballot on Saturday, while larger ones from City of London institutions will be scaled down with the aim of securing broad and balanced ownership of the 177.88m shares, which are being sold at a fixed price of 165p each.

Slightly marring what has so far been a successful sale is a dispute over whether options on Jaguar shares can be traded as soon as the shares themselves reach the Stock Exchange.

Option traders, led by Mr David Steen, chairman of the Stock Exchange Traded Options Committee and a partner at stockjobbers Pinchin Denny, are seeking to add Jaguar to the 24 large British companies now listed on the traded options market.

An option gives the right to buy or sell shares at a given price within a fixed period, and allows investors to speculate on share price movements or to hedge their portfolios. Jeguar would be the first addition to the UK options list for some time.

Golden Lewis limbers up for money marathon

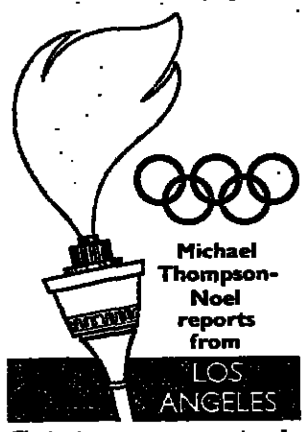
IT IS NOT that he shuns ordinariness: more properly – on some days, in some races – he seems to shun earthliness.

He is easily the dominating personality of the Los Angeles Olympic Games, but even to venture further – to describe Carl Lewis as the lineal descendant of the great Jesse Owens who won four gold medals in Berlin 1936 – may soon be inadequate. In short, Lewis is defining a category of excellence of which he may be the sole occupant.

In the Los Angeles coliseum on Saturday, Lewis, a 23-year-old American, won the men's 100m in a time of 9.99 seconds, a fifth of a second faster than second-placed Sam Graddy, also of the U.S. A Canadian, Ben Johnson, *finished third (10.22 secs), while* two Londoners, Michael McFarlane (10.27) and Donovan Reid (10.33), finished fifth and seventh.

The temperature was 74 degrees, which Lewis loved. While the other sprinters strained and pedalled, Lewis seemed to float, then surge, then streak, accelerating away from 50m with magnificent lift and power. His time equalled the seventh fastest ever and set an Olympic sea-level record. The world record (9.93 secs held by Calvin Smith) and the official Olympic record (9.95, Jim Hines) were both set at altitude. Lewis's personal best is 9.97.

Being famous, Lewis will now be made rich – extremely rich. After all, what are the Olympics for?



First, there is the seeming formality of three more golds. Today Lewis is to run two heats of the 200m, an event in which he is the world's best, and the only runner to break 20 seconds with consistency.

He is also to contest the long jump final today. Again, he is overwhelming favourite. His best jump is 28 feet 10.25 inches, just 4.25 ins behind Bob Beamon's current world record of 29 ft 2.5 ins set at altitude in 1968.

Tomorrow is a rest day in track and field. On Wednesday Lewis is expected to win the 200m final. On Saturday he could easily win another gold in the 4×100m relay. *Those are the same four gold* medals won by Owens in 1936. According to a written statement issued by Lewis after the 100m final: "As far as I am concerned, 60 per cent of it is over." He believes the 100m was his fiercest test and that the next three golds will come easily by comparison.

Lewis has never lacked foresight, which is why his packaging and selling have been so meticulously planned. He is about to consolidate his position as a major commercial property, the richest doll in the cabbage patch.

None of it will happen by accident. *Lewis maintained that Mark* Spitz, the swimmer, and Bruce Jenner, the decathlete, were "not prepared" for the post-Olympic stampede which greeted their achievements. Instead, in 1981, Lewis and his coach sketched out a four-year plan aimed at maximising his media marketing appeal.

Participation in track meets was limited to ensure that Lewis was always rested and prepared, though appearances in Los Angeles and New York were almost always accepted. Endorsements were kept to a handful so as to secure the big one after the games.

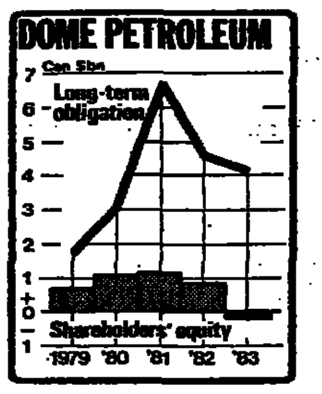
Lewis hopes to become identified with a single major company, as O. J. Simpson is with Hertz, or Bob Hope with Texaco. He took acting and singing lessons, saying "If I do a TV series I want to be the star, and I want a big say in what's written." And he sought to relate well with the public after major achievements – not with shows of emotion he did not feel, but with gestures "large enough so everyone could see."

In the next six days discussion of whether Carl Lewis is an "amateur" or a "professional" will be magnificently beside the point. He transcends the cabbage patch. He is Carl Lewis, athlete. Or as the advertising agencies will no doubt maintain, Carl Lewis is.

THE LEX COLUMN

New substructure for Dome

The agreement which Dome Petroleum and its creditors signed last week almost certainly set a world record – C$5.2bn (U.S.$3.98bn) – for the largest rescheduling of corporate debt. Like the accords which banks have grown used to negotiating with sovereign debtors, it also threatened to establish new standards for the quantity and complexity of paperwork. It is a remarkable achievement to have pulled the contracts between Dome and its 65 international creditors under a single umbrella, not least because the underlying documents extend over something like 60,000 pages of confused and often conflicting covenants.



Like any outsize debtor, Dome has been able to keep a grip on its bankers by holding the balance of terror. Failure to reach some such deal might in the end have had effects on the banking system that would dwarf the recent troubles of *Continental Illinois. At least since* the change of management last October, however, Dome has positively recognised that it would be a waste of time asking any creditor to give up security, and a deliberate cards-on-the-table approach has helped to persuade creditors to sink their differences on that crucial point.

It says much, after all, for the strength of Dome Petroleum's underlying business – which still has book assets of C$8.2bn – that the company did not at some point succeed in bankrupting itself. The outsider might none the less wonder if it were for want of trying. In the period from 1977 to 1982 the management of the time indulged in an orgy of acquisition; even before the two-stage purchase of Hudson's Bay Oil and Gas resulted in a gross outlay of U.S.$3.5bn, the company had snapped up an ill-considered assortment of trifles – such as 49 per cent of TransCanada Pipelines – *at a total cost of nearly* C$2bn.

Since virtually all of these purchases were financed by bank borrowings, it is not surprising that Dome's indebtedness at one point exceeded C$8bn. And since much of the debt was in U.S. dollars at floating rates, rising primes were almost bound to throw Dome into the arms of its bankers before long.

That probability became a certainty when the falling price of oil started ripping into the valuation of Dome's petroleum reserves. Once that happened, the company could never realistically have attempted to "trade out" of its balance sheet difficulties – even on annual operating cash flow of around C$1bn. Nor could bargain-basement disposal of Dome's recently acquired treasures be more than part of a solution, although after last week's sale of Dome's interest in Sovereign, cash realisations had mounted to more than C$1bn.

There is an *ironic contrast* between the new rescue package and the one Dome negotiated in 1982. At that time the creditor banks and the Canadian Government stood to acquire preference stock, which, if converted, would give them control of the company. Currently, Dome is required to go to the market to make good its lack of shareholders' equity. But the price at which Dome will be able to raise its money seems unlikely to be far from the C$2.50 a share which seemed so derisory two years ago.

Non-executives

The non-executive director in the *UK boardroom falls into much the* same category as the bidet in the bathroom. While there is general agreement that its installation adds to the tone of the room, the precise function of the apparatus is a matter for debate. Last week, at a conference sponsored by a British employers *group, a succession of dis*tinguished speakers extolled the virtues of the non-executive director. Yet, for an idea that attracts such widespread acclaim, the achievements to date have been surprisingly modest.

The ineffectiveness of outside directors frequently results from an imprecise definition of the job. Non-executives are often appointed to advise management in areas of which they have particular expertise. In some cases, this is no doubt a useful function. But there is no reason, on the face of it, why a seat on the board should assist a merchant banker or a solicitor in giving advice to his client. In some instances, a board appointment may have the opposite effect of compromising the independence of the adviser's judgment.

Several of Britain's best-run companies – BTR, Hanson Trust and Racal are outstanding examples – neither invite non-executives on to their boards nor encourage their own managers to take up outside directorships elsewhere. At the very least, the presence of a non-executive is hardly a *sine qua non* of commercial success.

Yet, even in those many cases where the non-executive plays a valuable advisory role, where is a danger that undue emphasis on this aspect of the job will obscure a more important responsibility – to act as an independent custodian of shareholders' interests.

The performance of Lonrho's nominees on the House of Fraser board provides an admittedly extreme illustration of how outside directors will take up the cudgels on behalf of a single shareholder. There are, however, precious few examples of a similar role being performed on behalf of the general body of shareholders. Non-executives have proved exceedingly reluctant either to force change within a poorly performing manage*ment or themselves to resign when* at loggerheads with the board. The battle between the late Mr Angus Murray and the former management at Newman Industries is virtually the only case on record.

The inclusion of a non-executive directors' statement in a company's *annual report might help to define* responsibilities more tightly. Similarly, periodic meetings between outside directors and shareholders would have the effect of making non-executives themselves more accountable. Besides commenting on the strategic direction of the business, non-executives should be ready to justify, for example, the remuneration of their executive colleagues.

Finally, it might be in shareholders' interests to limit the term of office of non-executive directors. While appointees clearly need time to gain a thorough understanding of the business, there is some evidence that familiarity breeds content. Non-executives too often come to see their first loyalty as being to a chairman and chief executive, whereas their job should be to monitor the performance of these managers and take action when they fail to produce the goods.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	29	84	Dubrovnik	S	30	86	Malaga	[illegible]	[illegible]	[illegible]	Salzburg	[illegible]	[illegible]	[illegible]
Akrotiri	S	31	88	Faro	S	28	82	Malta	[illegible]	[illegible]	[illegible]	Seoul	[illegible]	[illegible]	[illegible]
Algiers	S	29	84	Florence	S	34	93	Manila	[illegible]	[illegible]	[illegible]	Singapore	[illegible]	[illegible]	[illegible]
Amsterdam	F	20	68	Frankfurt	F	20	68	Miami	[illegible]	[illegible]	[illegible]	Stockholm	[illegible]	[illegible]	[illegible]
Athens	S	31	88	Funchal	C	21	70	Milan	[illegible]	[illegible]	[illegible]	Strasbourg	[illegible]	[illegible]	[illegible]
Bahrain	[illegible]	[illegible]	[illegible]	Geneva	[illegible]	[illegible]	[illegible]	Montreal	[illegible]	[illegible]	[illegible]	Sydney	[illegible]	[illegible]	[illegible]
Barcelona	[illegible]	[illegible]	[illegible]	Gibraltar	[illegible]	[illegible]	[illegible]	Moscow	[illegible]	[illegible]	[illegible]	Tangier	[illegible]	[illegible]	[illegible]
Beirut	[illegible]	[illegible]	[illegible]	Guernsey	[illegible]	[illegible]	[illegible]	Munich	[illegible]	[illegible]	[illegible]	Tel Aviv	[illegible]	[illegible]	[illegible]
Belgrade	[illegible]	[illegible]	[illegible]	H. Kong	[illegible]	[illegible]	[illegible]	Nairobi	[illegible]	[illegible]	[illegible]	Tenerife	[illegible]	[illegible]	[illegible]
Berlin	[illegible]	[illegible]	[illegible]	Innsbruck	[illegible]	[illegible]	[illegible]	Naples	[illegible]	[illegible]	[illegible]	Tokyo	[illegible]	[illegible]	[illegible]
Biarritz	[illegible]	[illegible]	[illegible]	Inverness	[illegible]	[illegible]	[illegible]	New Delhi	[illegible]	[illegible]	[illegible]	Toronto	[illegible]	[illegible]	[illegible]
Blackpool	[illegible]	[illegible]	[illegible]	Istanbul	[illegible]	[illegible]	[illegible]	New York	[illegible]	[illegible]	[illegible]	Tunis	[illegible]	[illegible]	[illegible]
Bordeaux	[illegible]	[illegible]	[illegible]	Jersey	[illegible]	[illegible]	[illegible]	Nice	[illegible]	[illegible]	[illegible]	Valencia	[illegible]	[illegible]	[illegible]
Boulogne	[illegible]	[illegible]	[illegible]	Jo'burg	[illegible]	[illegible]	[illegible]	Oporto	[illegible]	[illegible]	[illegible]	Venice	[illegible]	[illegible]	[illegible]
Brussels	[illegible]	[illegible]	[illegible]	Las Palmas	[illegible]	[illegible]	[illegible]	Oslo	[illegible]	[illegible]	[illegible]	Vienna	[illegible]	[illegible]	[illegible]
Budapest	[illegible]	[illegible]	[illegible]	Lisbon	[illegible]	[illegible]	[illegible]	Paris	[illegible]	[illegible]	[illegible]	Warsaw	[illegible]	[illegible]	[illegible]
B. Aires	[illegible]	[illegible]	[illegible]	Locarno	[illegible]	[illegible]	[illegible]	Perth	[illegible]	[illegible]	[illegible]	Zurich	[illegible]	[illegible]	[illegible]
Cairo	[illegible]	[illegible]	[illegible]	London	[illegible]	[illegible]	[illegible]	Prague	[illegible]	[illegible]	[illegible]				
Cape Town	[illegible]	[illegible]	[illegible]	Los Angeles	[illegible]	[illegible]	[illegible]	Reykjavik	[illegible]	[illegible]	[illegible]				
Caracas	[illegible]	[illegible]	[illegible]	Luxembourg	[illegible]	[illegible]	[illegible]	Rio de Jo	[illegible]	[illegible]	[illegible]				
Casablanca	[illegible]	[illegible]	[illegible]	Madrid	[illegible]	[illegible]	[illegible]	Rome	[illegible]	[illegible]	[illegible]				
Copenhagen	[illegible]	[illegible]	[illegible]	Majorca	[illegible]	[illegible]	[illegible]								
Dublin	[illegible]	[illegible]	[illegible]												

Readings at mid-day yesterday
C-Cloudy D-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

Cool response to debt plan

Continued from Page 1

tude of smaller bank lenders to Mexico, whose reservations about new loans slowed syndication of a $3.8bn credit for Mexico this year.

Bankers say that Friday's meeting illustrates the difficulty of delivering the more favourable rescheduling deals being sought for some Latin American borrowers as a matter of official Western policy.

Longer maturities, lower margins and multi-year agreements were among the techniques endorsed by Western leaders at their economic summit in June.

Oil glut 'likely to continue'

Continued from Page 1

countries will rise by only 1.5 per cent in 1985 on the assumption of an average economic growth rate of 2.7 per cent.

Looking ahead, the IEA projections hold out little hope of relief for hard-pressed Opec member states. They indicate that, with no movement of stocks, demand for Opec crude would be only about 16m b/d in the third quarter and no more than 18.2m b/d in the fourth quarter. This gives no scope for increasing Opec's production ceiling of 17.5m b/d.

Published by The Financial Times (Europe) Ltd., Frankfurt Branch, represented by G.T.S. Damer, Frankfurt/Main, F. Barlow, R.A.F. McClean, M.C. Gorman, D.E.P. Palmer, London, as members of the Board of Directors. Printer: Frankfurter Societäts-Druckerei GmbH, Frankfurt/Main. Responsible editor: C.E.P. Smith, Frankfurt/Main.